

**ORANGE COUNTY CEMETERY DISTRICT
Board of Trustees
August 2, 2022**

MINUTES

The regular monthly meeting of the Orange County Cemetery District Board of Trustees was called to order via video conference by Chair Kelly Rivers 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 General Manager Tim Deutsch.
Roll Call by Board Secretary, Mary Funk.

PRESENT:	Kelly Rivers, Chair	Second District
	Cynthia Ward, Vice Chair	Fourth District
	Maribel Marroquin-Waldram	First District (Joined at 10:07 a.m.)
	Vladimir A. Anderson	Third 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

PUBLIC COMMENTS - None

CONSENT CALENDAR

- A. Approval of Minutes – Regular Board Meeting, July 5, 2022.
- B. Approval of the August 2022 Check Registers (Claims) Nos. 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31 and 32.
- C. Acceptance of the Quarterly Investment Report for June 30, 2022

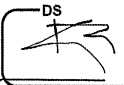

MOTION: of Vice Chair Ward, seconded by Trustee Anderson and carried by a roll-call vote of 4-0 (Trustee Marroquin-Waldram absent for the vote), approved the Consent Calendar.

MANAGER REPORTS

A. Interments and Interment Space Sales Reports – June 2022

The following interment and interment space sales for June 2022 were reviewed:

ANAHEIM	Interments	10 (6 Urn)	<u>2021-2022</u>	<u>2020-2021</u>
	Lot Sales	3	98 (73 Urn)	129 (87 Urn)
			56	67

 Chair	 Secretary
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EL TORO	Interments	90 (35 Urn)	957 (305 Urn)	973 (306 Urn)
	Lot Sales	120	1,479	1,276
SANTA ANA	Interments	12 (4 Urn)	227 (99 Urn)	305 (113 Urn)
	Lot Sales	3	61	125
TOTAL	Interments	112 (45 Urn)	1,282 (477 Urn)	1,407 (506 Urn)
	Lot Sales	126	1,596	1,468

GM Deutsch reported that, as expected, the District set record numbers as we close the 2021-22 Fiscal Year. This was not a surprise as the trending sales were evident three months into the fiscal year.


Anaheim Cemetery saw typical numbers in June with three interment space sales and 56 sales at year end. That was 11 fewer than the previous year. Anaheim conducted 10 interment services in June with a total of 98 services for the year. This is lower by 31 services when compared to the previous year. GM Deutsch stated that this is a normal progression for a cemetery with limited inventory. GM Deutsch also pointed out that Anaheim's cremation rate is significantly higher than both El Toro and Santa Ana.

El Toro Memorial Park had 120 space sales in June. Of those sales, 98 were for casket spaces. El Toro ended the year with 1,479 space sales. This exceeded last year's record number by 203 space sales. That is the highest number ever for a single cemetery in one fiscal year. Of those sales, 55% of sales were for pre-need purchases and 88% of sales were for casket purchases. For interment services, El Toro's staff conducted 90 interments in June and ended the year with 957 interments. This is only 16 fewer interments than the previous year. As of July 1st, El Toro has 1,826 spaces remaining. Thirteen niches were sold in June, leaving approximately 404 niches remaining.

Santa Ana Cemetery had the lowest number recorded for activity with three cremation spaces sold and 12 interment services conducted. For the year, Santa Ana sold 61 spaces as compared to the previous year with 125 interment space sales. Santa Ana conducted 227 interments for the year which is 78 fewer interments than the previous year.

District-wide, staff sold 1,596 interment spaces which surpasses last year's record of 1,468 spaces sold. For the year, staff conducted 1,282 interments, which is 125 fewer services than the record of 1,407 interment services set the previous year

Trustee Hatch noted that the space availability report coupled with the OC LAFCO Municipal Service Review is a clear validation of the need for additional public cemetery space to ensure that Orange County residents have a place to rest. The District added over 200 spaces in Old Section just a little over a year ago and they are already gone. He added that these numbers are a ringing endorsement of the need to develop Gypsum Canyon and it boggles the mind as to why anyone would oppose such a development. GM Deutsch agreed saying that the numbers are alarming.



Chair



Secretary

B. Financial Reports – June 2022

Brenda Manriquez reported that the Financial Report for June is unaudited, adding that there are still some accruals to complete and invoices that will apply to the last fiscal year. Revenues are excellent and are approximately \$1.8 million over what was budgeted. Property taxes came in a little higher than expected and interest rates are starting to pick up and yields are not as low as anticipated.

Brenda Manriquez stated that expenses for Salaries and Employee Benefits are \$15,612 higher than budgeted. This is primarily due to overtime and step increases. She also noted that Diana Vosler, the Accounting Technician, has been budgeted as a full-time employee. Currently she is still categorized as part-time, but this should be changing at some point in this new fiscal year.

For other expenses, the 1400 Account for Maintenance Buildings is higher. This is primarily due to increased security costs and having an armed guard at El Toro Memorial Park as well as pest control expenses for bees and gophers. The 1900 Account for Professional/Specialized Services is also about \$53,000 more than budgeted. This is primarily due to merchant fees associated with increased usage of credit card transactions. The District has been absorbing those costs rather than passing these expenses on to families. There are also additional legal fees for labor negotiations and land development assistance. The 2800 Account for utilities is currently under budget, but additional invoices are expected that will be accrued for the Basin Equity Assessment.

For equipment Brenda Manriquez said that Santa Ana’s John Deere Gator came through in June. Equipment will appear underbudget due to delays in getting the truck for the District and the utility vehicle for El Toro. These will be rebudgeted into the 2022-23 fiscal year budget.

The use of the Economic Uncertainty Fund will come in September.

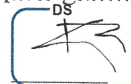
Brenda Manriquez also explained that there are now two line items in the 4200 Account. The Buildings and Improvements line includes \$452,846 for the design team working on the new cemetery development, \$241,224 for the cemetery improvement projects at Anaheim, Santa Ana, and El Toro, and \$54,900 for new cement trash cans and benches. The second line item is for expenses related to the flagpole installation at Gypsum Canyon. We expect the County of Orange to reimburse the District for the \$107,402 spent on the flagpole thus far.

Brenda Manriquez stated that the Balance Sheet is fine and they are just working on finalizing year-end accruals. There is currently \$15,155,000 as committed for land development and staff anticipates that another \$1 million will be designated as committed for land development when the year-end numbers are finalized.

Vice Chair Ward stated that CalPERS took quite a hit and wondered how OCERS was doing. Brenda Manriquez said that OCERS is doing well. Everyone was impacted, but OCERS was not effected like CalPERS was.

C. Investment Portfolio Changes – July 2022

GM Deutsch stated that as we extend our 5-year ladder in the Endowment Principal Fund we are now getting rates in the 3% range which is great. We expect interest to continue to rise. For



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investments coming **due** in the next six months: UBS Endowment Principal and Income has \$1,094,000 coming **due**; Stifel Endowment Principal and Income has \$2,016,000 coming due; and Stifel Pre-Need **has** \$805,000 maturing. We are also seeing the Pools go up, but as of now CalTRUST is still **out**performing the others. GM Deutsch said he received a call from Shari Freidenrich the **Treasurer**-Tax Collector for Orange County, who would like to keep our funds in the OCIP. We will **continue** to watch the rates, but for now CalTRUST is still doing about 50 basis points better **than** the OCIP. Shari Freidenrich also offered to give a presentation at an upcoming Finance **and** Investment Committee Meeting.

D. Interest Rates – June 2022

GM Deutsch said **there** were not a lot of maturities this quarter, so there was not a lot of movement. The **District** should see numbers go up in September as rates improve.

E. Capital Projects Update

GM Deutsch **reported** that the design team is getting plans prepared for submittal to the City of Anaheim in **September**. There was a grading issue that had to be resolved so we will not be able to submit in August **as** the team had initially hoped. After we get feedback from the City of Anaheim, Tim will **in**form the Trustees on the possible timing for construction.


The flagpole installat**ion** is scheduled for August 25th. The date for the flag raising ceremony is changing and will **now** be either Friday, September 9th or Saturday, September 10th. GM Deutsch stated that **there** is a possibility that Governor Newsom may attend and sign the bill authorizing the study of the site and funding for the veterans cemetery. Most of the coordination for this event will be **out** of our hands. The District will be tasked primarily with preparing the site for the event. If **p**ossible, Supervisor Wagner would like all of the District's Trustees to attend the flag raising ceremony. Vice Chair Ward asked if Trustees could invite guests. GM Deutsch asked her to **in**form him of who she would like to invite and he would confirm for her. Counsel Quintanilla **stated** that our Trustees need to be front and center at this event.

GM Deutsch said he **will** also be having a meeting with Supervisor Do on August 4th to discuss design ideas for the **Allied Veterans/Government Officials** Section that will be established at the public cemetery. GM Deutsch added that these design details do not need to be submitted to the City of Anaheim. **We** do need to consider how these sections will flow with the rest of the public cemetery **devel**opment to ensure the most efficient and maximum use of the land.

For equipment, the **U**tility Vehicle for El Toro has been ordered but is not expected to arrive until 2023. The **tr**uck and the other utility vehicle that were not ordered last year have been rebudgeted into the **2022-23** fiscal year.

F. Orange County LAFCO Municipal Service Review 2022

GM Deutsch **reported** that OCLAFCO has completed a Municipal Service Review for the Orange County **Cem**etry District. GM Deutsch said that it was a pleasure to work with Gavin Centeno of OCLAFCO over the last few months. The last time an MSR was conducted was 2005. The timing **for** this MSR was good as all the relevant numbers needed were readily available from the **bus**iness plan that was completed this spring. GM Deutsch said that the MSR can only benefit the **D**istrict's efforts to build a fourth public cemetery. On September 14th the Final Draft MSR **will** be considered by the Commission during a public hearing.



Chair



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G. Special District Leadership Foundation Certification

GM Deutsch explained that it is time to renew both the Transparency of Excellence Certificate and the Platinum District of Distinction certification. GM Deutsch thanked all those who had completed trainings or will complete trainings to make these renewals possible. One requirement that will come to the Board in the September and or October Board Meetings will be the review of all the policies in the Board Policy Manual. He and Administrative Manager Mary Funk are now reviewing the policies for potential changes and they will also be reviewed by legal counsel. Counsel Quintanilla stated that he has a tickler system that monitors all legislation that may impact the District. He has not seen anything other than the Brown Act that may require updates. Former Trustee Bill Nelson always advocated strongly for the District to pursue these certifications. GM Deutsch said he is sure Trustee Nelson would be pleased with the Boards efforts to retain these recognitions.

H. CAPC 2023 Board of Directors Election

GM Deutsch reminded the Board that the California Association of Public Cemeteries is seeking candidates interested in running for a term on the Board of Directors. Chair Rivers is currently a Board Member for CAPC and typically Districts do not have more than one Trustee or General Manager on the Board at the same time. But if the Trustees know of any other candidates who may be interested, they can encourage them to submit their candidate consent form to CAPAC before October 31, 2022. Elections will be held in February 2023.

I. SDRMA Safety Award Presentation

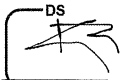
GM Deutsch announced that the District will receive the 2022 McMurchie Excellence in safety Award for Workers' Compensation Program in the large district category. The award will be presented at the CSDA Annual Conference in Palm Springs on Wednesday, August 24th. GM Deutsch said that the District has never received a safety award before, so it is nice that they are recognizing us. With Martin Galvez's injury, we will not be repeating this award in 2022-23. Chair Rivers is planning to attend the conference and stated that she would be happy to accept this award on behalf of the District. Trustee Hatch asked if this is awarded to multiple recipients. GM Deutsch said that it is awarded to one District in each category of small, medium and large. The Orange County Cemetery District is considered large because we serve more than three million people.

GENERAL COUNSEL REPORT

Legal Counsel Steve Quintanilla noted that if the District ever sells or leases property we have to comply with a land act that makes the land available to other public agencies before opening it up to other potential users. Brenda Manriquez asked if that was just for land leasing and selling or if it also applies to equipment. Counsel Quintanilla said it is only for transactions involving land.

ITEMS FOR FUTURE AGENDAS

No Board members listed any topics to be discussed at future Board Meetings. Vice Chair Ward, however, did take a moment to express her gratitude for all the support and encouragement she has received over the last two years as she battled illness and was caring for her ailing mother. Vice Chair Ward informed the Board that her mother had passed and she thanked everyone for their kind thoughts. She is very appreciative of the Board's patience with her situation. Trustee



Chair



Secretary

Hatch noted that it is very easy to be patient with Vice Chair Ward and thanked her for all she has been able to do despite the circumstances. He said he is reminded of a quote a French actress said at the turn of the century about her own future passing. She said, “Don’t grieve. I’m not leaving. I’m arriving.” He told Vice Chair Ward that this is exactly what her mother has done. She has arrived.

BOARD COMMENTS

A. ISDOC Quarterly Meeting, July 28, 2022 at 11:30 a.m.

Chair Rivers reported that this in-person gathering was good. The topic was on cyber security and the boxed lunch was good. While attendance was very good, she still thinks they reach more people with the virtual meetings. Vice Chair Ward stated she wanted to attend but could not work it in her schedule. If it had been virtual she could have attended. Vice Chair Ward questioned if it would be possible to do a hybrid that could be both in-person and online. GM Deutsch said that ISDOC elections are coming up. He will reach out to Heather and see if combined in-person and virtual meetings would be possible.

ANNOUNCEMENTS

A. CSDA Annual Conference, August 22-25, 2022 in Palm Desert

Chair Kelly Rivers is registered to attend. Counsel Quintanilla said that he will be hosting a lunch or dinner during the conference that Chair Rivers will be invited to attend.

B. Flag Raising Ceremony, Gypsum Canyon, Friday, September 9, 2022 – 10:00 a.m.

At the time of the Board meeting the date was still to be determined. GM Deutsch will confirm with all the Trustees as Supervisor Wagner would like them to attend.

C. CAPC Local Area Meeting – Elsinore Valley Cemetery District, September 21, 2022 10:00 a.m. to 1:00 p.m.

CAPC is resuming Local Area Meetings. GM Deutsch explained that these programs typically include educational components, legal presentations, and topics on personnel and operations. Since this is the first Local Area Meeting since the start of the pandemic, they will be discussing what was learned and how to be better prepared for the next pandemic that comes around. GM Deutsch asked the Trustees to please keep this date open and he will email them with more details as the event draws closer.

D. CAPC Education/Area Meeting, October 6-7, 2022 – South Lake Tahoe

Chair Kelly Rivers will be attending. Vice Chair Cynthia Ward stated that she would also like to attend.

At 11:00 a.m. the Board adjourned to Closed Session.

CLOSED SESSION

- A. Public Employee Performance Evaluation Pursuant to Government Code Section 54957.
Employee’s Title: General Manager


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- 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 11:53 a.m. Counsel Quintanilla stated that no reportable action took place.

NEW BUSINESS

A. General Manager Employment Agreement (FY 2022-23)

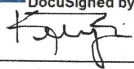
Counsel Quintanilla stated that government code requires that the Board put forth a motion announcing any changes to benefits and compensation. The Board of Trustees has offered General Manager, Tim Deutsch an annual salary for the 2022-23 fiscal year of \$178,500.00 for the period beginning on July 1, 2022 and ending on June 30, 2023. The Board is also offering a one-time payment of \$5,000.00 for service performed throughout the COVID-19 pandemic.


MOTION of Trustee Hatch, seconded by Vice Chair Ward, and carried by a vote of 5-0, approved an annual salary for the General Manager of \$178,500.00 for the fiscal year commencing on July 1, 2022 and ending on June 30, 2023; and approved a one-time stipend payment of \$5,000.00 for service performed throughout the COVID-19 pandemic.


GM Deutsch thanked the Board for this increase and stated that the District’s accomplishments have been a team effort.

The next regular meeting will be held on **Tuesday, September 6, 2022**, 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 11:56 a.m.

DocuSigned by:

 Chair


 Secretary


 Chair


 Secretary