

**ORANGE COUNTY CEMETERY DISTRICT
Board of Trustees
October 4, 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 10:03 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 GM Tim Deutsch.
Roll Call by Board Secretary, Mary Funk.

PRESENT:	Kelly Rivers, Chair	Second District
	Maribel Marroquin-Waldram	First District
	Vladimir A. Anderson	Third District
	Noel Hatch	Fifth District

ABSENT:	Cynthia Ward, Vice Chair	Fourth District
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STAFF:	Tim Deutsch, General Manager
	Brenda Manriquez, Finance and Accounting Manager
	Mary Funk, Board Secretary

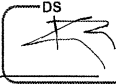
ALSO PRESENT: Steve Quintanilla, General Counsel


PUBLIC COMMENTS

U.S. Navy Vietnam Veteran and VALOR Board Member, Bobby McDonald, spoke to the Board during Public Comments. Mr. McDonald commented that it has been a great week for Veterans with Governor Newsom signing legislation allowing CalVet to consider the Gypsum Canyon site for a State Veterans Cemetery. He recalled having his first meeting with Supervisor Todd Spitzer in 2014, and now to have the support of all 34 Orange County Cities, the Orange County Cemetery District, and the Orange County Board of Supervisors, Mr. McDonald said he is confident we can see this project through to completion. Mr. McDonald expressed his sincerest thanks to our Board of Trustees, GM Deutsch, District staff, and the many organizations for all the support and efforts to establish this Veterans Cemetery. While there is still much more work to be done, it is wonderful to see progress being made. GM Deutsch stated that it has truly been a collaborative effort. We have cleared an important hurdle and there are several more to go. GM Deutsch thanked Mr. McDonald for taking the time to attend the meeting and address the Board and for all the work he has done on behalf of the Veterans in Orange County.

CONSENT CALENDAR

- A. Approval of Minutes – Regular Board Meeting, September 6, 2022.
- B. Approval of the October 2022 Check Registers (Claims) Nos. 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63 and 64.


 Chair


 Secretary

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

MANAGER REPORTS

A. Interments and Interment Space Sales Reports – August 2022

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

			<u>2022-2023</u>	<u>2021-2022</u>
ANAHEIM	Interments	6 (3 Urn)	9 (5 Urn)	18 (15 Urn)
	Lot Sales	2	6	11
EL TORO	Interments	85 (27 Urn)	164 (57 Urn)	148 (54 Urn)
	Lot Sales	112	216	247
SANTA ANA	Interments	11 (6 Urn)	23 (15 Urn)	34 (19 Urn)
	Lot Sales	4	11	11
TOTAL	Interments	102 (36 Urn)	196 (77 Urn)	200 (88 Urn)
	Lot Sales	118	233	269

GM Deutsch reported that Anaheim Cemetery had two space sales and performed six interment services in August, which is down slightly from the previous year. GM Deutsch expects to see a downward trend continue for all three cemeteries as we exit the pandemic and inventory declines. Anaheim Cemetery’s cremation rate is at 50% which is indicative of the lack of casket inventory.

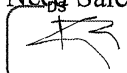
El Toro Memorial Park had 112 spaces sales of which 83 were casket spaces, 19 were for niche space and 10 were for in-ground cremation interment. Sixty-three percent of all sales were for Pre-Need purchases and 79% of all pre-need sales were for casket space. As of September 1st there are approximately 1,689 remaining casket spaces at El Toro Memorial Park. There are approximately 374 niches available in the Maureen Rivers Memorial Niche Garden. GM Deutsch expects to add additional niche sections in this area within the next two to three years. El Toro staff conducted 85 interment services in August compared to the 74 interments conducted in August of 2021. El Toro’s cremation rate is almost at 32% for August.

GM Deutsch remarked that Santa Ana is still clearing out old holds and did sell another casket space in August as well as three niches. Staff conducted 11 interment services in August compared to 16 services in August of 2021.

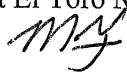
District-wide there were 118 space sales down slightly from 132 sales in August of 2021. Staff conducted a total of 102 interment services which is just higher than the 99 interment services conducted in August of 2021. Overall, the District was at a 35% cremation rate.

B. Financial Reports – August 2022

Brenda Manriquez reported that, as usual, the financial report is looking good. Revenue is doing very well and is up from last year and way over budget projections. This is primarily due to Pre-Need Sales at El Toro Memorial Park. As indicated in the Monthly Activity Report, revenue



Chair



Secretary

from interment services is down slightly. The District is anticipating larger property tax distributions in September’s financial report. Interest is starting to rebound nicely and is looking very good when compared to the previous year.

For expenses, Salaries and wages are \$150,760 higher than the previous fiscal year. This is primarily due to the one-time stipend payment all employees received and for the additional 401(a) matching funds the District provided. Services and Supplies are on budget with major variances being a one-time payment for two El Toro wheeled canopies, a one-time 50% payment to HB Actuarial Services, and higher fuel costs.

There were no new equipment expenses in August, but a Utility vehicle is on order. In Buildings and Improvements there were approximately \$355,000 of charges incurred in August. New cemetery development costs accounted for \$123,039 and the flag pole installation included \$232,296 in charges.

Brenda Manriquez stated that everything looks good on the balance sheet. She did point out that there is currently a negative balance under Assigned – Land Development. This is more of a timing issue only because some bills had to be paid up front such as workers compensation expenses and Cemsites invoicing. This is a rolling number and the Trustees can expect to see this resolve itself over time.

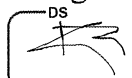
C. Investment Portfolio Changes – September 2022

GM Deutsch remarked that now as investments are redeemed and new investments are purchased, the District is seeing significant improvements in the rates being offered. GM Deutsch said we will continue to keep investments for the Endowment Income Funds short and liquid so it is accessible during construction of the new cemetery. We will also continue to build and fill out our five-year ladder in the Endowment Principal Fund. Over the next six months there will be \$1.5 million coming due in the UBS Endowment Principal and Income Funds. There will be \$1.7 million coming due in the Stifel Endowment Principal and Income Funds. In the Stifel Pre-Need Fund there will be \$585,000 coming due. Interest rates in the pooled funds for CalTRUST and the OCIP continue to improve.

D. Capital Projects Update

GM Deutsch explained that the focus right now on Capital Projects is with Gypsum Canyon. The new cemetery design team submitted the development application to the City of Anaheim on August 30th and we got a response back from the City on September 27th. GM Deutsch said he is meeting with the design team later this morning to discuss the city’s feedback and to set a direction on how best to achieve those requirements. GM Deutsch also noted that Gov. Newsom signed the legislation that allows CalVet to officially study the Gypsum Canyon site. GM Deutsch hopes to begin discussions on Thursday with the County and CalVet.

GM Deutsch said that, due to the number of bills on the Governor’s desk, it was not feasible to have him sign the legislation at the flag raising event. The County is now looking at scheduling the flag raising ceremony at Gypsum Canyon the week of Veterans Day, although not on the holiday itself. GM Deutsch said that as soon as he hears the date the County is planning for he will let all of the Trustees know. Supervisor Wagner would like our Trustees to attend the flag raising event. GM Deutsch said that staff has created an area on the property that will



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accommodate canopies and seating and give a good view of the flag pole. GM Deutsch said he will begin to seek reimbursement from the County for costs associated with the flag pole construction project.

GM Deutsch did note that El Toro Memorial Park has experienced a water leak near the front entrance of the park. Staff has excavated an area to unearth the effected pipes and make the necessary repairs. Work is currently ongoing to correct the problem.

GM Deutsch also stated that three vehicles still need to be purchased.

E. Independent Special Districts of Orange County 2022 Elections

GM Deutsch reported that only one candidate for each position was running for the ISDOC Executive Committee for 2023. Those candidates were all accepted for those seats by acclamation according to the ISDOC bylaws, so no ballots had to be cast. New officers will be announced at the ISDCO Quarterly Meeting on October 27th.

GENERAL COUNSEL REPORT

Counsel Quintanilla stated that he had attended a conference for the League of California Cities. He will be sending out a summary of all the new laws that are coming out which will impact our District.

He also explained that the most frequent request for his legal advice concerns how to correctly determine which parties have the right to make interment decisions. What may seem like a simple process can quickly become complicated when there are multiple parties who may have equal claims and there is discord or disagreement among those parties. However, Counsel Quintanilla explained that the Health and Safety Code which governs our operations allows Districts to provide affidavits that relieves the district of liability in these cases. The District can require that the party who is claiming they have the right to make burial decisions sign such an affidavit. By signing the affidavit they are stating that they have exhausted all efforts to locate any other parties who may have an equal or higher claim and that they are unaware of anyone else who would have a higher claim.

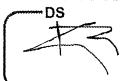
GM Deutsch mentioned that Counsel Quintanilla has also put together a form that shows the right of succession that should be followed in determining who can make interment decisions. GM Deutsch said things can be further complicated when the lot owner and the next-of-kin are two different people. Residency requirements and eligible non-resident restrictions can also cause additional confusion.

Counsel Quintanilla said that California is also a Community Property state which can also be confusing for people not familiar with that concept.

NEW BUSINESS

A. Acceptance of Flag Pole Installation Construction Project

GM Deutsch stated that while construction for the flag pole installation is complete, the electrician still has some minor work to finish. This will be done as soon as the parts on back order arrive. GM Deutsch is hopeful it will be completed before the flag raising ceremony in



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November. However, the lights are functional, even if the parts do not arrive in time for the official flag raising ceremony.

GM Deutsch said once the Board accepts the project, he will submit a Notice of Completion to the County and approximately 25 to 30 days later the remaining retention amount of \$21,106.16 will be released to Finn Construction and Development.

GM Deutsch said that once the flag is flying and all of the payments have been made to the contractor, the District will submit a reimbursement request to the County of Orange for \$295,000.

MOTION of Trustee Anderson, seconded by Trustee Hatch, and carried by a vote of 4-0 (Vice Chair Ward absent for the vote), accepted the Flag Pole Installation Project and authorized the General Manager to release the retention amount of \$21,106.16 to Finn Construction and Development, Inc., once the Notice of Completion is filed and the waiting period is completed.

ITEMS FOR FUTURE AGENDAS

No Board members listed any topics to be discussed at future Board Meetings.

BOARD COMMENTS

A. Special District Leadership Academy, Napa Valley – Sept. 18-21, 2022

Trustee Anderson thanked the District for giving him the opportunity to attend the Leadership Academy. He stated it was a wonderful time of networking and he learned a lot. He appreciated the good discussion he had with other Special District attendees and looks forward to building on the knowledge he obtained by attending these classes.

GM Deutsch said that by attending the academy, Trustee Anderson also made it possible for the District to retain its District of Distinction Recognition at the Platinum level. GM Deutsch said that the District’s Transparency Certificate was renewed for another three years and he will be submitting to renew our District of Distinction certification this week. He thanked all of the Trustees for their efforts in ensuring all of the District’s requirements were met.

ANNOUNCEMENTS

A. Flag Raising Ceremony, Gypsum Canyon – Time to be determined.

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.

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

Vice Chair Ward, Cemetery Manager Julio Amarillas, and Cemetery Manager Bill Stelter will all be attending this conference.

C. ISDOC Quarterly Meeting, Fountain Valley – Oct. 27, 2022 at 11:30 a.m.

GM Deutsch stated that this meeting will be a Zoom Meeting held virtually and not in person. Bob Page with the Orange County Registrar of Voters will be the featured guest speaker.


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D. Dia De Los Muertos “To Go” – All Cemeteries, Wed. Nov. 2, 2022 at 3:00 p.m.

GM Deutsch stated that staff will be hosting Dia de los Muertos “To Go” events at all three cemeteries as was done in 2021. The events will be held on Wednesday, November 2nd starting at 3:00 p.m. until supplies last. The District will be passing out free children’s craft kits, small bouquets of marigolds, and Pan de Muertos.

E. Veterans Day Program – El Toro Memorial Park, Fri., Nov. 11, 2022 at 11:00 a.m.

GM Deutsch stated that planning for this event is currently underway. Nick Berardino has committed to either finding the District a keynote speaker or speaking at the event himself.

F. CAPC Local Area Meeting – Elsinore Valley Cemetery District, November 16, 2022 10:00 a.m. to 1:00 p.m.

GM Deutsch explained that this event had been postponed from September because a staff person at Elsinore Valley Cemetery District passed away just prior to the scheduled September event. If any of the Trustees are interested in attending, please let GM Deutsch or Board Secretary Mary Funk know, so that staff at Elsinore Valley can prepare appropriately.

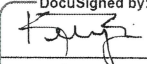
GM Deutsch explained that when Chair Rivers attended the CSDA conference she spoke with the Vendor Granicus who specializes in interactive websites for public engagement on proposed upcoming projects. GM Deutsch and Mary Funk sat in on a presentation by Granicus for the Engagement HQ product. GM Deutsch said it will give the District the ability to inform the public about development plans at Gypsum Canyon as well as allowing the public the opportunity to engage with us and provide feedback on our proposed development. Engaging the public is one of the requirements that the City of Anaheim has for our new cemetery development. This site will allow us to share pictures and video, project timelines, newsletter tools, and is a great way to take the pulse of surrounding communities. GM Detusch will provide more details on this as staff more fully explores the features of this product.

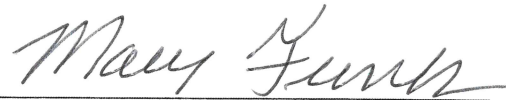
GM Deutsch also said that while at the CSDA conference, Chair Rivers also won a free website design from Streamline as well as a year of web hosting. He and Mary Funk also sat in on a presentation from Streamline. GM Deutsch thanked Chair Rivers for representing both the Trustees and staff at the CSDA Conference.


Chair Rivers extended her hearty congratulations to Trustee Marroquin-Waldram and her whole family on the birth of her new daughter!

The next regular meeting will be held on **Tuesday, November 1, 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 11:00 a.m.

DocuSigned by:

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