

**ORANGE COUNTY CEMETERY DISTRICT**  
**Board of Trustees**  
**August 1, 2023**

**MINUTES**

The regular monthly meeting of the Orange County Cemetery District Board of Trustees was called to order by Chair Kelly Rivers at 10:07 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 Vladimir Anderson.  
Roll Call by Board Secretary, Mary Funk.

PRESENT:	Kelly Rivers, Chair	Second District
	Cynthia Ward, Vice Chair	Fourth District
	Vladimir A. Anderson	Third District
	Noel Hatch	Fifth District

ABSENT:	Maribel Marroquin-Waldram	First District
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STAFF:	Tim Deutsch, General Manager
	Brenda Manriquez, Finance and Accounting Manager
	Mary Funk, Board Secretary

ALSO

PRESENT: Steven Quintanilla, Legal Counsel (Remotely for closed session only.)

**PUBLIC COMMENTS - None**

**CONSENT CALENDAR**

- A. Approval of Minutes – Regular Board Meeting July 11, 2023.
- B. Approval of the August 2023 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, 2023

**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 2023**

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

  
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Chair

  
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Secretary

			<u>2022-2023</u>	<u>2021-2022</u>
ANAHEIM	Interments	9 (7 Urn)	87 (57 Urn)	98 (73 Urn)
	Lot Sales	5	40	56
EL TORO	Interments	78 (28 Urn)	938 (323 Urn)	957 (305 Urn)
	Lot Sales	103	1,326	1,479
SANTA ANA	Interments	21 (14 Urn)	188 (113 Urn)	227 (99 Urn)
	Lot Sales	8	76	61
TOTAL	Interments	108 (49 Urn)	1,213 (493 Urn)	1,282 (477 Urn)
	Lot Sales	116	1,442	1,596

GM Deutsch stated that there are no surprises on the monthly activity report and sales continue to be high for El Toro Memorial Park.

Anaheim Cemetery had five space sales in June and performed nine interments for the month. Anaheim’s cremation rate year-to-date is at 65%, which is not surprising since only cremation spaces remain available for sale.

Compared to May, El Toro Memorial Park slowed down a bit with 103 space sales for June. Of those sales 80 were for full casket space, 17 niches were sold, and six in-ground spaces were sold. This leaves approximately 849 known casket spaces remaining for sale and 274 niches still available.

GM Deutsch said he met with Architect Jim Mickartz who is working on a master plan for niches at all three cemeteries. The first project will be adding new niches around the Edison vault in the Maureen Rivers Memorial Niche Garden. They intend to use a marine grade aluminum. GM Deutsch estimates that the new area of niches will yield anywhere from 200 to 300 new niches and these niches will be slightly larger allowing families more choices in urn selection. GM Deutsch said the new niches can be added with little disruption to the existing niches. He anticipates bringing an award of contract to the Board towards the end of this fiscal year or perhaps in early 2024-25. Vice Chair Ward asked about matching the granite on the new niches. GM Deutsch stated that they will do their best to match as closely as possible or select a granite that is complimentary to the existing niches. GM Deutsch added that he wants to stay ahead of the game so a shortage of available niche spaces does not occur.

Trustee Hatch asked at what point the District will be able to layout the new cemetery. GM Deutsch answered that the preliminary design work is done, but we will not begin to layout actually lawn sections, lots and graves until we are closer to the beginning of actual construction. GM Deutsch also noted that today is the first day El Toro Memorial Park is prohibiting the sale of casket space on a preneed basis. He suggested that staff can start collecting the names of people who express an interest in purchasing space at Gypsum Canyon and we can reach out to them once we are ready to offer preneed sales. GM Deutsch noted that the First Responders and Allied Veterans sections will be for At-Need families only. Vice Chair Ward asked when the District might feel comfortable selling spaces at Gypsum Canyon for advanced planning. GM

  
Chair

  
Secretary

Deutsch said that we would first need to have all the approvals required by the City of Anaheim. We would want to have current cost estimates for the new cemetery development. We would also want some decision from CalVet about whether or not they will be moving forward. GM Deutsch also said that Idea Hall is working on presentation materials for the new cemetery and the conceptual video depicting what the cemetery will look like is getting closer to completion.

For services, El Toro Memorial Park conducted 78 interments in June of which 50 were full body burials. Year-to-date, El Toro conducted 938 interments compared to 957 in the previous year. The cremation rate at El Toro year-to-date is at 34%.

Santa Ana Cemetery had eight interment space sales in June and conducted 21 interment services. The cremation rate at Santa Ana Cemetery is at 60%.

District-wide, staff sold 1,442 interment spaces for the year compared to 1,596 spaces sold in the previous year. For interments, staff conducted a total of 1,213 interments compared to 1,282 from the previous year. GM Deutsch showed charts illustrating the history of sales and services among all three cemeteries. He stated that the last three years since the pandemic have been a bit of an anomaly and typically the target for the District has been to average between 800 to 100 space sales and interment services.


**B. Financial Reports – June 2023**

Brenda Manriquez stated that the June numbers in the financial report are unaudited. It includes the accruals through period 13 in the county, but some numbers are still changing.

She reported that revenues are well over what was budgeted. In terms of revenue from space sales the District is almost double what was anticipated. Revenues from services are just slightly under budget. Interest earned is going gangbusters and higher than expected across all four funds. Some of this is due to the fact that Pre-Need earnings have been included in the totals, but the rising return rates have also been substantial. Year end revenues are at approximately \$9.8 million with about \$6.9 million in expenses. Brenda noted that when Salaries & Employee Benefits; Services and Supplies; or Capital Outlays shows expenses that exceed the budget, footnotes will be provided in the Annual Comprehensive Financial Report to explain those variances.

There were no new expenses that were out of the ordinary. The one-time employee payments and overtime are the main contributing factors for increases in Salaries and Benefits. GM Deutsch also noted that some of the overtime is offset by weekend interment service charges that families pay. In Services and Supplies the only ones that pop out are the 1400 account which is mostly for security costs, landscaping and dirt hauling; and the 1410 account which is being driven by the contract with Idea Hall for new cemetery development.

GM Deutsch said that we did get approval to haul dirt to our Gypsum Canyon property and so far we have dumped about 8 to 10 loads. The dirt we are bringing in will not impact the grading requirements at all and will result in about a \$40,000 to \$50,000 savings to the District annually. GM Deutsch noted that an older tractor from the District is being brought over to the property so staff can periodically level out the dirt that Linnes is dumping.

  
Chair

  
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Vice Chair Ward asked if the District has been required to do any type of fire mitigation with all the new growth that occurred over the rainy winter. GM Deutsch said that there are no structures on the site to protect, so we have not been asked to clear any of the new growth. He did state that OC Fire is doing some work and are mainly concerned about keeping the roadways clear. We are limited in some areas so as not to disturb the gnatcatchers, which is a sensitive bird species that can be found on the property.

Trustee Hatch asked where we are in the ten-year allotment given us by the County of Orange to establish the first burial in the new cemetery. GM Deutsch answered that we are in year 4 of the ten years allowed. GM Deutsch said that he is confident that within a year, the District will have a definitive answer as to whether the Veterans Cemetery will be moving forward at Gypsum Canyon. Since we are now repaying the construction loan, we have to make a decision in the next year or have some serious discussions about how long the district can maintain the payments without revenue from a new cemetery.

For equipment, Brenda Manriquez reported that there were no expenses in June. Equipment not ordered this last fiscal year has been deferred to the 2023-24 fiscal year budget. Brenda Manriquez stated that she will provide a detailed report showing the use of the Economic Uncertainty Fund at the September Board Meeting.

On the Balance Sheet, Brenda Manriquez noted that Pre-Need deposits have increased by almost \$1 million. She also added that we typically journal about \$200,000 a year from Pre-Need to the General Fund as those Pre-Need services are used by families. She also stated that she expects at some point to move the \$3 million in assigned for Land Development to Committed for Land Development.

#### **C. Interest Rates – June 2023**


GM Deutsch reported that the California Class Fund has now been added to the chart reporting interest rates. The District transferred its first monies to the fund on July 24<sup>th</sup>. Brenda Manriquez reported that she believes the California Class rates are high right now because it is a brand new fund. She believes these rates will drop to be more comparable with the competing funds in the months ahead. GM Deutsch said he also anticipates pulling these funds out of California Class at some point in the future as they will be used toward new cemetery development. As expected, the rates across all the funds have risen in the last quarter.

#### **D. Investment Portfolio Changes - July 2023**

GM Deutsch stated that there were a small number of investments that were redeemed and three new investments were purchased in July, all earning between 5.40% and 5.625%. In the next six months UBS will have approximately \$1.2 million coming due. Stifel will have \$1.8 million coming due and Stifel Pre-Need will have almost \$1 million coming due. The current posted rates for the pooled funds are ranging between 3.34% and 3.73%, except for the new California Class which is at 5.27%.

#### **E. Capital Projects Update**

GM Deutsch stated that it has been a short window since the last board meeting so not much new activity has transpired. He did meet with DGS and CalVet on July 21<sup>st</sup> and they are progressing through their site studies. GM Deutsch and Larry Ryan with RJM met with Supervisor Do's

  
Chair

  
Secretary

Chief of Staff Van Tran as well as with members of the community regarding the Allied Veterans Section of the new cemetery. He gave them a tour of the site and they participated in some podcast interviews while on the property. He also stated that the virtual simulations for the new cemetery are almost done. The virtual presentation is from the perspective of a drone flying into the cemetery. GM Deutsch said that this will be the last report for this fiscal year so all of the capital projects will be for the new budget at the next meeting.

#### F. Upcoming Events

GM Deutsch stated that Dia de los Muertos is coming up in the near future and we need input from the Board on how to proceed. Since COVID we have been doing abbreviated Dia de los Muertos “To Go” programs where families can drive by and pick up some free items relevant to the holiday. GM Deutsch suggested that we continue that at El Toro Memorial Park and Santa Ana Cemetery, but asked about the Board’s feelings on doing a live event at Anaheim Cemetery. He also added that he did not want to overload Mary Funk’s responsibilities at this time. Both Chair Rivers and Vice Chair Ward were supportive of doing a live event at Anaheim and Vice Chair Ward volunteered to secure mariachi and balletfolklorico entertainment for the event. The Board agreed to hold the event on Thursday, November 2<sup>nd</sup> from 5 pm to 8 pm. GM Deutsch also stated that a speaker is needed for Veterans Day at El Toro Memorial Park. Trustee Hatch said that he would speak with the City of Laguna Woods that hosted a Memorial Day Program in May that included honoring several Veterans, some even from World War II. He said he would reach out and see if any of them would be suitable speakers for the Veterans Day program.

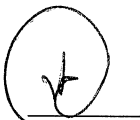
### **GENERAL COUNSEL REPORT - NONE**

### **NEW BUSINESS**

#### **A. Orange County Employees Retirement System Waiver Concurrence**

GM Deutsch said that typically all employees with the District are required to participate in the OCERS pension system. However, if you are over age 60 you can have the option to opt out. This issue arose because the Extra Help Accounting Technician, Diana Vosler, has been moved from extra help to full time with a variable schedule working between 40 to 60 hours per pay period. In making this transition, the County now sees Diana Vosler as eligible for the OCERS pension. Diana was formerly employed as a teacher and already has pension benefits through CalPERS and would like to opt out. The District has been informed by OCERS that the board must act to authorize an Employer’s Concurrence – Waiver of Membership form and file it with OCERS showing that the District is agreeable to allow employees who are eligible to opt out, to do so. GM Deutsch said this is a win-win as the employee is allowed to opt out and the District does not have to pay the employer’s portion to OCERS.

**MOTION:** of Trustee Hatch, seconded by Chair Rivers and carried by a roll call vote of 4-0 (Trustee Marroquin-Waldrum absent for the vote), authorized the execution of the Employer’s Concurrence – Waiver of Membership Form and directed staff to submit the completed form to OCERS.



Chair



Secretary

**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 11:30 a.m. GM Deutsch stated that there was no reportable action.

**ITEMS FOR FUTURE AGENDAS**

GM Deutsch stated that there will be an amendment to the mid-year budget presented at an upcoming meeting.

**BOARD COMMENTS - None**

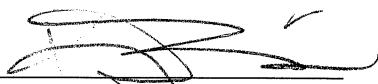
**ANNOUNCEMENTS**

The CSDA Annual Conference will be held in Monterey from August 28<sup>th</sup> to August 31<sup>st</sup>. Trustee Anderson and GM Deutsch are both attending.

The CAPC Annual Education Seminar and Area Meeting will be held in Sacramento from October 6<sup>th</sup>-7<sup>th</sup>, 2023. Chair Rivers will be attending as well as Cemetery Manager, Julio Amarillas and Cemetery Assistant, Robert Hernandez.

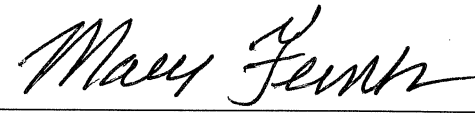
The next regular meeting will be held on **Tuesday, September 5, 2023**, at 10:00 a.m., at the Orange County Cemetery District, 25751 Trabuco Rd., Lake Forest, CA 92630.

There being no further business, the meeting was adjourned at 11:36 a.m.





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Chair




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Secretary




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Chair




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Secretary