

ORANGE COUNTY CEMETERY DISTRICT
Board of Trustees
November 6, 2018

MINUTES

The regular monthly meeting of the Orange County Cemetery District Board of Trustees was called to order by Chair Kelly Rivers at 10:01 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 Nelson.
Roll Call by Board Secretary, Mary Funk.

PRESENT: Kelly Rivers, Chair Second District
William E. Nelson Third District
Noel Hatch Fifth District

ABSENT: Maribel Marroquin First District
Cynthia Ward, Vice Chair Fourth District

STAFF: Tim Deutsch, General Manager
Dianna Torrence, Administrative Manager
Brenda Manriquez, Staff Accountant
Mary Funk, Board Secretary

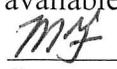
PUBLIC COMMENTS

Mr. Robert Williams, Commander of the Sons of Confederate Veterans addressed the Board to provide an update on the status of the monument at Santa Ana Cemetery. He reported that the black granite slab that had been described to the Board at a previous meeting had been installed by Honor Life. The new granite slab covers the names of the Confederate Generals. Text on the slab recognizes ten locally elected officials who played significant roles in the development of Orange County and were also Confederate Veterans.

Mr. Williams also stated that he has reached out to several organizations, primarily the Sons of Union Veterans, about the Board's suggestion to use the north side of the monument to recognize Orange County Founders who were also Union Veterans. Mr. Williams stated that the Sons of Union Veterans declined to participate in making any changes to the monument, saying that they felt its presence is an important part of Orange County history. Mr. Williams expressed his hope that a consensus could be reached that would protect all of our American monuments. His desire is to form a blanket organization that protects Orange County history and he is pursuing discussions with Sons of Union Veterans and SAR.

In regards to the monument at Santa Ana Cemetery, Mr. Williams stated that his group is not willing to obscure or cover the S.C.A. initials that are showing at the top of the monument. He also stated that he would be happy to discuss with the Board how to move forward from here and would like to avoid litigation if at all possible. GM Deutsch as well as Chair Rivers said that they would be available to meet with the group for future discussions. Trustee Nelson did not


Chair


Secretary

feel there was anything that could be discussed, as the Board had previously made it clear that it did not want the initials S.C.A. to remain. If the Sons of Confederate Veterans are not willing to comply, Trustee Nelson felt there was nothing more to discuss. Trustee Nelson stated that his ancestors also fought in the Civil War for the Union and he does take offense to the S.C.A. letters on the monument. Trustee Hatch referred to President Lincoln’s statements that the Confederate states formed their own government and it was never a legitimate government, not unlike Hitler forming the Nazi party. Mr. Williams was offended by that remark and a brief exchange of words took place. Trustee Hatch reiterated that his point was that the Confederacy was never a legitimate government. Mr. Williams replied that the U.S. Government recognizes Confederate Veterans as legitimate United States Veterans. Mr. Williams thanked the Board for allowing him to speak and Trustee Hatch thanked Mr. Williams for coming to the meeting. Mr. Williams left at this time.

CONSENT CALENDAR

- A. Approval of Minutes – Regular Board Meeting, October 2, 2018.
- B. Approval of November 2018 Check Registers (Claims) Nos. 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, and 81.
- C. Acceptance of the District Quarterly Investment Report and Certification for September 30, 2018, pursuant to Government Code Section 53646(b)(1).
- D. Approval to amend “Assistant to the General Manager” to “Administrative Manager” for the 2018 Biennial Notice for Conflict of Interest Codes.

MOTION of Trustee Hatch, seconded by Trustee Nelson and carried by a vote of 3-0, (Vice Chair Ward and Trustee Marroquin absent for the vote), approved the Consent Calendar.

GENERAL MANAGER REPORTS

Interments and Interment Space Sales Reports – September 2018

The following interment and interment space sales for September 2018 were reviewed:

			<u>2018-2019</u>	<u>2017-2018</u>
ANAHEIM	Interments	3 (3 Urn)	17 (9 Urn)	19 (11 Urn)
	Lot Sales	1	8	6
EL TORO	Interments	34 (13 Urn)	147 (60 Urn)	151 (43 Urn)
	Lot Sales	47	196	154
SANTA ANA	Interments	26 (3 Urn)	93 (16 Urn)	88 (11 Urn)
	Lot Sales	12	67	93
TOTAL	Interments	63 (19 Urn)	257 (85 Urn)	258 (65 Urn)
	Lot Sales	60	271	253


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GM Deutsch noted that the District is right on track with projections. Overall, the District has 18 more space sales and one less interment service than was reported for the previous year at this time. El Toro Memorial Park had 42 more space sales year-to-date than the previous year, and continues to get traffic from families who cannot be served at Anaheim or Santa Ana Cemetery. Affordability appears to be more important to families than staying within Anaheim or Santa Ana. Cremation rates are also steadily climbing. District-wide the cremation rate is at 33% as opposed to 25% for the same time last year. The revenues generated at El Toro Memorial Park, with its more expensive plots, continue to offset expenses at the other two cemeteries. There were no new additions to space inventories and we are just waiting for the completion of the niche project for the next large addition of spaces.

Financial Reports – September 2018

Brenda Manriquez reported that revenues from property taxes continue to trickle in and we are expecting our large payments within the next couple of months. Interest income continues to exceed budgeted revenues due to better than anticipated returns at CalTrust and OCIP. Interment Space Sales are higher than budgeted revenue and Interment Services are lower than budgeted revenues.

For expenses, there were slight increases in both electrical and water utility costs. A progress payment for Horizons Construction for August was made. No new equipment purchases were made for September 2018. The balance sheet is steady. Trustee Nelson commented on how amazing it is to see total assets over \$30 million. GM Deutsch commented that over half of that is for Endowment Care. Trustee Hatch commented that when financial matters are handled well there is nothing that jumps out at you when reviewing financial statements.

Interest Rates – September 2018

GM Deutsch reviewed changes in interest rates over the last quarter, noting that almost all the funds have had slight increases. The only exception is UBS and that was because an investment matured that had a rate of 4.5% and the purchase of the new investment was at a lower rate. GM Deutsch said that as investments mature, he is continuing to fill in the five-year ladder so the District maintains a steady flow of maturing investments.

October Investment Portfolio Changes

GM Deutsch reported that October was a busy month for investments. In the Endowment Principal Fund \$100,000 was transferred to Wells Fargo and we are taking advantage of corporate bonds and CD's. There have been no attractive government bonds. Trustee Nelson noted that Shari Freidenrich is doing a good job with the OCIP and that fund is catching up with CalTrust, noting that OCIP is only about .5% off of CalTrust. GM Deutsch agreed saying that OCIP's short term fund is outperforming CalTrust's short term fund. Trustee Nelson noted that interest rates are on the rise and it is harder for 5-year ladders to take good advantage of the changing rates.

Capital Projects Update

GM Deutsch explained that work is progressing on the El Toro Niche project and directed the Board's attention to the sewer line work being completed just outside the Board Room. He explained that cleanouts on the sewer line must be installed anywhere that a bend exceeds 22 degrees. By rerouting this sewer line, it will free up approximately 60 to 70 full casket spaces in


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the Los Alisos lawn. Unfortunately, issues with the niche vendor have pushed the project back to an estimated completion date of early 2019. GM Deutsch anticipates that he will have to come back to the Board for approval of increased costs due to a change in the niche vendor. Trustee Hatch asked how many new niches the project will provide. GM Deutsch answered that it will create 759 new niches with room to add even more in the future when needed. GM Deutsch explained that El Toro has established a waiting list for people who have expressed interest in purchasing space in the new niche area.

GM Deutsch also informed the Board that the restroom renovations at Anaheim are complete and the new facility was in use for the Dia de los Muertos celebration that was held on November 2nd. GM Deutsch said that originally the project was only supposed to take 180 days and that goal will not be met. He has instructed the contractor that more progress must be made at El Toro before any work is to begin at Santa Ana Cemetery. He also reported that two pieces of equipment were purchased and should appear in the next report. The utility vehicle and the trailer, both for El Toro, each came in under budget.

At this time GM Deutsch requested that the Board adjourn to Closed Session.

CLOSED SESSION

Conference with Legal Counsel – Potential Initiation of Litigation Pursuant to Paragraph (4) of Subdivision (d) of Section 54956.9: (One potential case).

The Board adjourned to closed session at 10:40 a.m.

The Board reconvened from closed session at 11:19 a.m. Counsel Quintanilla, who was in attendance via telephone, stated that no reportable action took place in closed session.

When the Board reconvened from closed session they picked up in the agenda at the General Manager's Reports.

The Strategic Plan Dashboard

GM Deutsch said that there were no changes to the Strategic Plan Dashboard other than the addition of the Dia de los Muertos community event that was just held at Anaheim Cemetery on Friday, Nov. 2nd. This will be discussed in Board Comments.

Audit Update (Oral Report)

Brenda Manriquez reported that the auditors were out to complete their field work and the process went very smoothly. She is expecting to receive the draft audit sometime this week and staff is on track to present the audit to the Board at the December Board Meeting. Trustee Nelson asked about the status of the budget award we had submitted for. Brenda Manriquez said she is expecting to hear back around the start of the year as to whether or not our District will receive this recognition.


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Financial Operational Changes (Oral Report)

GM Deutsch reported that in preparation for Dianna Torrence's upcoming retirement in March, he has been reaching out to several agencies about taking on HR, payroll, accounting, and benefits administration as in-house functions. He, Brenda Manriquez and Dianna Torrence also met with representatives from the County of Orange and had a very open dialog about the process and pros and cons of leaving the County and taking on those functions ourselves. GM Deutsch reported that they were very understanding and willing to advise us with experiences from other agencies who had done something similar. Two examples were the Superior Court that left the Auditor/Controller, but still retained the County for payroll, HR, and benefits; and TCA who pulled everything from the County.

GM Deutsch is currently analyzing costs, and does believe that transitioning out of the County could be a viable option for our District. He also confirmed that we would still be able to use OCERS for pension purposes. They are also still working on creating the job specifications for the position that Dianna will be vacating.

In terms of leaving the County, GM Deutsch stated that there are a lot of moving parts and it will have to make financial sense for the District to make this move. There will be cost increases if we go with SDRMA for health benefits. Brenda Manriquez has several contacts with organizations who have made such a move and staff will be reaching out to them to learn more about their experiences. We will also have to invest in new accounting software. GM Deutsch said we can also get help with analysis from GFOA as well as Rick Wood from CSDA. Trustee Nelson asked if GM Deutsch has reached out to other Cemetery Districts to see how they handle payroll and benefits. GM Deutsch said that he has already done that. Those who are not going through their counties, pay more expensive rates than we are paying now.

County of Los Angeles – Public Cemetery District Meeting (Oral Report)

GM Deutsch announced that a meeting has been set up for Wednesday, November 28th at 1:00 p.m. in Los Angeles with representatives from the Los Angeles County Public Cemeteries. They are interested to learn more about our operational standards and procedures. Counsel Quintanilla will attend along with Communications Manager, Mary Funk. GM Deutsch asked the Trustees to please let him know if any of them wish to attend. Chris Palmer from CSDA will also be attending.

UNFINISHED BUSINESS - None

NEW BUSINESS - None

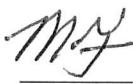
ITEMS FOR FUTURE AGENDAS - None

BOARD COMMENTS**CAPC Annual Education Seminar and Area Meeting, South Lake Tahoe, Oct. 5-6, 2018**

Chair Rivers stated that she attended and said the trainings were repetitive. Our District is already doing those things recommended at the conference.



Chair



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ISDOC Quarterly Meeting, Fountain Valley, October 25, 2018

Trustee Nelson, Chair Rivers, and GM Deutsch all attended. They all agreed that Susan Price gave a good presentation on homeless issues.

CSDA Professional Development Committee Meeting, Sacramento, Nov. 1, 2018

Trustee Nelson attended this and stated that it is the first time CSDA has reached over \$1 million in revenues.

Dia de los Muertos Program, Anaheim Cemetery, Nov. 2, 2018

Chair Rivers, Vice Chair Ward and GM Deutsch all attended. Kelly stated that it was a fantastic event with attendance doubled over what we had last year. She did note as well, that problems were experienced at Santa Ana Cemetery.

ISDOC Executive Committee Meeting, Fountain Valley, Nov. 6, 2018

Trustee Nelson did not attend the meeting this morning.

ANNOUNCEMENTS

The Veterans Day Program will be held at El Toro Memorial Park on Sunday, Nov. 11, 2018 at 11:00 a.m. Trustee Nelson and Chair Rivers are both planning to attend.

The CSDA Board Meeting will be held in Sacramento on Nov. 15, 2018.

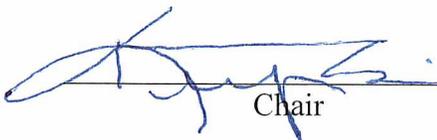
The ISDOC Executive Committee Meeting in Fountain Valley will be on Dec. 4, 2018. Trustee Nelson is planning to attend.

The Angel of Hope Candlelight Service is on Thursday, Dec. 6, 2018 at 7 p.m. at El Toro Memorial Park.

Wreaths Across America with American Heritage Girls Troop 356 will distribute wreaths and have a brief ceremony honoring the Armed Services on Saturday, Dec. 15, 2018 at 9:00 a.m. at El Toro Memorial Park.

The next regular meeting will be held on **Tuesday, December 4, 2018**, 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 11:37 a.m.


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