

**ORANGE COUNTY CEMETERY DISTRICT**  
**Board of Trustees**  
**July 11, 2023**

**MINUTES**

The regular monthly meeting of the Orange County Cemetery District Board of Trustees was called to order by Chair Kelly Rivers at 10:04 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 Noel Hatch.  
Roll Call by Board Secretary, Mary Funk.

PRESENT:	Kelly Rivers, Chair	Second District
	Maribel Marroquin-Waldram	First District (Arrived 10:12 a.m.)
	Vladimir A. Anderson	Third District
	Noel Hatch	Fifth District
ATTENDING		
REMOTELY:	Cynthia Ward, Vice Chair	Fourth District
STAFF:	Tim Deutsch, General Manager	
	Brenda Manriquez, Finance and Accounting Manager	
	Mary Funk, Board Secretary	

**PUBLIC COMMENTS - None**

**CONSENT CALENDAR**

- A. Approval of Minutes – Regular Board Meeting June 13, 2023.
- B. Approval of the July 2023 Check Registers (Claims) Nos. 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, and 16.

**MOTION:** of Trustee Hatch, seconded by Chair Rivers and carried by a roll call vote of 3-0 (Vice Chair Ward and Trustee Marroquin-Waldram absent for the vote), approved the Consent Calendar.

**MANAGER REPORTS**

**A. Interments and Interment Space Sales Reports – May 2023**

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

			<u>2022-2023</u>	<u>2021-2022</u>
ANAHEIM	Interments	6 (5 Urn)	78 (50 Urn)	88 (67 Urn)
	Lot Sales	5	35	53
EL TORO	Interments	85 (31 Urn)	860 (295 Urn)	867 (270 Urn)
	Lot Sales	142	1,223	1,359

  
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SANTA ANA	Interments	24 (15 Urn)	167 (99 Urn)	215 (95 Urn)
	Lot Sales	6	68	58
TOTAL	Interments	115 (51 Urn)	1,105 (444 Urn)	1,170 (432 Urn)
	Lot Sales	153	1,326	1,470

GM Deutsch stated May’s activity report for interment space sales is the second highest for this fiscal year. There are a couple of religious groups who have been encouraging members to purchase casket interment space at El Toro Memorial Park. While this is good for revenue, it negatively impacts longevity and the district’s ability to help at-need families in the future.

Anaheim sales and services are holding steady with 5 interment space sales and 6 interments conducted in May. Year-to-date, Anaheim Cemetery has conducted 78 interments and sold 35 interment spaces. Both numbers are down slightly when compared to the previous year. Anaheim Cemetery did sell one casket space which had been on hold for some time.

Trustee Maribel Marroquin-Waldram arrived at 10:12 a.m.

El Toro Memorial Park had 142 space sales in May of which 129 were for casket space. Of those casket sales 30 were for At-Need and 99 casket sales were for Pre-Need. As of June 1<sup>st</sup>, El Toro Memorial Park has approximately 923 casket spaces remaining. This does not include any spaces that could potentially be created with future road closures or additions to existing lots where possible. Eight niches were sold in the Maureen Rivers Memorial Niche Garden. This leaves approximately 291 niches left for sale. The District plans to add a small bank of niches in the Maureen Rivers Memorial Niche Garden in the upcoming fiscal year that will result in the creation of approximately 100 new niches.

Staff at El Toro conducted 85 interment services in May. Year-to-date, El Toro has conducted 860 interment services, which is just slightly behind the previous year’s number of 867 interments through the end of May 2022. El Toro’s cremation rate stands at 34% for May.

Santa Ana Cemetery had six interment space sales in May and conducted 24 interments during the month. Of those interments 15 were cremation based bringing Santa Ana’s cremation rate to 62.5%.

District-wide, 153 interment spaces were sold and staff conducted 115 interment services. Overall, the cremation rate stands at just over 44%.

Finance and Accounting Manager, Brenda Manriquez, pointed out that on the Income Statement the \$300,000 that is appearing under other revenues is due to the County reimbursement for the flag pole construction at Gypsum Canyon.

Trustee Hatch asked GM Deutsch when Gypsum Canyon opens, does he expect El Toro to be fully sold? GM Deutsch replied that if we don’t take action to limit sales, El Toro will be sold out within eleven months, well before Gypsum Canyon would be operational. If we do limit

  
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sales to At-Need families only at El Toro Memorial Park, we may be able to sustain available inventory until Gypsum Canyon opens. Trustee Hatch asked if GM Deutsch foresees staff reductions at El Toro. GM Deutsch said that there will certainly be staff reductions at El Toro and he plans to provide a staffing plan to the Board regarding the transition to the opening of Gypsum Canyon.

GM Deutsch also said that he is still looking at the possibility of developing a small public cemetery in South Orange County. There is a parcel of about 20 acres that may be available for the development of a non-secular cemetery, that he is pursuing. However, this may be 6 to 8 years out and there is no guarantee that the family will offer the land to the District for development.

Brenda Manriquez also brought up the option of offering Pre-Need sales to the new cemetery even before it is developed. GM Deutsch said he is working with legal counsel on a plan that would allow families the ability to put down a deposit for a future space at Gypsum Canyon. That way families can have the comfort and assurance that they will have a cemetery space, and the District will benefit from the revenues these deposits generate. GM Deutsch said that they would need legal counsel to carefully draft a disclosure specifying the terms of the deposit. He also briefly discussed the ability for customers to exchange space from any of the District's existing cemeteries to Gypsum Canyon.

At 10:17 a.m. Vice Chair Ward, requested to join the meeting remotely as she could not attend in person due to medical reasons.

**MOTION:** of Trustee Marroquin-Waldram, seconded by Chair Rivers and carried by a roll call vote of 4-0 (Vice Chair Ward absent for the vote), approved allowing Vice Chair Cynthia Ward to attend the remainder of the July 11, 2023 Regular Board Meeting remotely.

#### **B. Financial Reports – May 2023**

Brenda Manriquez stated that she is currently working on year-end accruals and the June numbers are not quite finalized. In terms of revenue, the numbers are way higher than what was projected in the budget. She expects the District to be about \$2 million over budget. The District did receive some additional property tax and earnings from interest are also much higher than expected. Last year, Brenda Manriquez reported that across all funds the District earned about \$750,000 in interest. This year that number will be closer to \$1.2 million. As the monthly activity report has illustrated, revenue from sales and services are also trending above expectations.

There were no new expenses that were out of the ordinary. The 1410 account has a variance of approximately \$79,000 which is primarily due to the contract with Idea Hall.

For equipment, Brenda Manriquez reported that El Toro Memorial Park did receive the gator and the trailer. GM Deutsch stated that there are two more pieces of equipment that will not be ordered this year and have been re-budgeted into the next fiscal year.

  
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Charges in the 4200 Account were mostly for new cemetery development costs for GMU, RJM, LSA and Huitt-Zollars.

On the Balance Sheet, Brenda Manriquez pointed out the \$3.2 million in assigned for land development. After pulling out enough for the upcoming year's debt service payments, this will still leave approximately \$2 million that can be moved to committed for new cemetery development.

### **C. Investment Portfolio Changes - June 2023**

GM Deutsch stated that there were just a few investments turning over in May. We are now consistently getting investments in the 5% to 6% range. Over the next six months UBS will have \$1.7 million coming due in Endowment Principal & Income. Stifel's Endowment Principal and Income will have approximately \$1.8 million coming due. Stifel's Pre-Need will have \$932,000 coming due. GM Deutsch said he is continuing to watch over short term investments for liquidity. He will also be presenting an updated project schedule for Gypsum Canyon in the near future. The City of Anaheim and our consultants are working on a few more items that will impact timing and costs. GM Deutsch said he will also be providing an updated project cost estimate, as the original estimate is now about 18 months old.

Trustee Hatch asked if the City's requests have been reasonable. GM Deutsch said that yes, it is. The District knew all this was coming but the timing had to be right with sensitive species and bird nesting issues that slowed some of the testing on site. As a District, of course we would like the process to move faster, but there are other factors such as CalVet that we have to allow for. Trustee Hatch asked if the project still has ample political support. GM Deutsch confirmed that support for the project has never waived.

Brenda Manriquez also noted that the transfers to California Class approved at the last Board Meeting have not taken place yet, due to timing with the fiscal year-end. Now that we are in the new fiscal year those transfers will be completed.

GM Deutsch pointed out that CalTrust rate is currently 3.47% when compared to California Class which is at 5.24%. GM Deutsch may opt to transfer out of CalTrust to California Class.

### **D. Capital Projects Update**

GM Deutsch reported meetings between the development team and the City of Anaheim have been ongoing. The District has supplied CalVet with architectural plans so the two cemeteries can have complimentary designs and color schemes.

Trustee Hatch asked if there was any feedback with the flag falling. GM Deutsch confirmed that the District received a number of calls from concerned citizens wanting to know why the flag was not flying. GM Deutsch said that the Voice of OC also wrote an article focusing on how OC Fire helped to rescue the fallen flag. In all, the flag was down for about a week until the pole was fixed on the 15<sup>th</sup>.

GM Deutsch said he met with the City Planning and Public Works staff on June 15<sup>th</sup> at Anaheim City Hall and the Development Team met with County staff that same afternoon to discuss the status of the development submittal to the City. On June 23<sup>rd</sup>, there was a meeting at

  
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the Gypsum Canyon property with the Anaheim City Manager and Nick Berardino and provided an update. For public engagement, GM Deutsch said that he and Larry Ryan of RJM met on June 15<sup>th</sup> at the Downtown Anaheim Community Center and also attended the June 22<sup>nd</sup> District 6 Community Meeting. GM Deutsch said there were about 25 residents present at the District 6 meeting. GM Deutsch said that RJM and Idea Hall are working on digital print and video for public outreach. GM Deutsch said the video will be like a virtual drone tour of the site. Trustee Hatch said videos like that are incredibly effective in communicating what the project could look like. GM Deutsch said he will communicate several key factors including that the cemetery will operate in non-peak traffic times. Nighttime lighting will be minimal. He also only anticipates a small number of funeral processions. Noise from 21 gun salutes will also be minimal as there are only a limited number of veterans who qualify for this salute. He will also stress that no cremation facilities will be present at either cemetery.

GM Deutsch noted that all of the small improvement projects at El Toro Memorial Park and Santa Ana Cemetery have been completed for the 2022-23 fiscal year. He also pointed out that the negative amount showing for the Gypsum Canyon flag pole installation is almost completely offset by the County reimbursement of \$295,000. That leaves the project just slightly over budget.

## **GENERAL COUNSEL REPORT - NONE**

### **NEW BUSINESS**

#### **A. Gypsum Canyon Cemetery Development Proposal for Field Investigation and Geotechnical Design Services – Gypsum Canyon Cemetery Bridge**

GM Deutsch said that GMU has been working with the District over the past two years providing geotechnical services on the new cemetery development. The original proposal did not include services for the bridge foundation. The project is now at a point where further field investigation and geotechnical design services for the bridge foundation are needed. The cost to include the additional scope of work is \$59,373. Because this is over the General Manager's limit to approve, the Board needs to take action to authorize the addendum.

**MOTION:** of Trustee Hatch, seconded by Chair Rivers and carried by a roll call vote of 5-0, the Board of the Orange County Cemetery District approved the addendum proposal with GMU in the amount of \$59,373.

#### **B. Gypsum Canyon Cemetery Development Grading and Utility Engineering Feasibility Services Proposal**

GM Deutsch explained that Huitt-Zollars is an engineering firm working on grading and utility engineering feasibility and design services for the Gypsum Canyon new cemetery development. They are also a consultant with DGS that is doing the study for CalVet on the property. There are two main issues that need to be considered that is causing Huitt-Zollars to expand its scope of work. First, the main access road runs through the area that is more prone to movement. In the unlikely event that ground settling impacts this main road there must be a secondary road to ensure safe ingress and egress. Second, there may be the ability to drill a groundwater well on the property. If this is a viable option it could result in significant savings for the district.



Chair



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Trustee Hatch asked if any of this would signal red flags to the City of Anaheim. GM Deutsch said that it would not, we are simply addressing these two new considerations.

This is the third amendment for this consultant and will cost \$141,000. This brings the total budgeted contract amount for Huit-Zollar to \$449,500. GM Deutsch also stated that the design team is keeping track of costs that could potentially be shared with the Veterans Cemetery.

**MOTION:** of Trustee Hatch, seconded by Trustee Marroquin-Waldram and carried by a roll call vote of 5-0, the Board of the Orange County Cemetery District approved the amendment with Huitt-Zollars, Inc. in the amount of \$141,000.

### **C. CSDA Board of Directors Election 2023**

GM Deutsch stated that every two years CSDA rotates members. Voting can be completed online. In the past, the District has always favored candidates from Orange County. Both Arlene Schafer with Costa Mesa Sanitary District and Albert Nederhood with the Municipal Water District of Orange County are local to Orange County. Arlene Schafer is the incumbent. GM Deutsch said he is very familiar with Arlene Schafer, but has no knowledge of Mr. Nederhood other than what his biographical information portrays. Chair Rivers stated that she is fine with supporting Arlene Schafer. Trustee Marroquin-Waldram expressed her agreement as well.

**MOTION:** of Trustee Marroquin-Waldram, seconded by Trustee Hatch and carried by a roll call vote of 5-0, selected Arlene Schafer for the CSDA Board of Directors 2024-2026.

### **D. SDRMA Board of Directors Election 2023**

GM Deutsch explained that SDRMA provides our risk management and general liability. They are also holding elections for their Board of Directors. There are four candidates running for seats on the Board. They are incumbent, Robert Swan, Acquanetta Warren, incumbent Jesse Claypool, and incumbent Sandy Seifert-Raffelson. The District may select up to three candidates. GM Deutsch stated that the only person they received direct correspondence from was Acquanetta Warren. GM Deutsch stated that he has no first-hand knowledge of any of the candidates, although he did attend a training session one time with Sany Seifert-Raffelson. Chair Rivers recommended that the District vote for each of the three incumbents.

**MOTION:** of Trustee Marroquin-Waldram, seconded by Trustee Anderson and carried by a roll call vote of 5-0, the Board of the Orange County Cemetery District selected Robert Swan, Jesse Claypool, and Sandy Seifert-Raffelson for the SDRMA Board of Directors.

### **E. Full Casket Interment Space Sale Limitation – El Toro Memorial Park**

GM Deutsch explained that, as the monthly activity report shows, the inventory of available full casket space at El Toro Memorial Park has now dropped below the 1,000 mark. Sales are being driven by a couple of local religious groups who are encouraging members to purchase space. With available casket interment space rapidly dwindling, the District must consider how this might impact families in the future who have had a death occur. At the current rate of sale, El Toro will be completely sold out of full casket interment space within eleven months. If we take

  
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action now to restrict sales of full casket interment space to only those families who are at-need, we can extend the number of families the District can help who have actually had a death occur. Legal counsel has advised us that if we do prohibit pre-need sales for full casket space, we should post this change prior to it taking effect. Staff is recommending that this take effect on August 1<sup>st</sup>. GM Deutsch stated that Counsel Quintanilla said that several other cemetery districts are facing similar situations. In terms of budget, GM Deutsch is estimating that by restricting sales of casket space to At-Need families only, sales at El Toro will drop to approximately 30 to 35 sales per month. While we will eventually sell all of the available spaces at El Toro, this will occur at a slower pace, basically deferring approximately \$750,000 in revenue from space sales. For the 2023-24 budget, instead of having a surplus of approximately \$750,000, GM Deutsch now estimates that the District will have a balanced budget for the fiscal year. Brenda Manriquez recommends that if the Board approves the proposed resolution, that they do a budget adjustment mid-year, since the assumptions that established the original budget will have changed.

GM Deutsch said that once we post that we will be prohibiting full casket pre-need sales, he expects a flurry of calls from people wanting to purchase before the prohibition goes into effect. The District will continue to book Pre-Need appointments until July 31<sup>st</sup>. We expect these appointments to be booked through August and September. In terms of revenue, the District will probably not see much change until September or October.

GM Deutsch also noted that this does not include any new spaces that may still be created through road closures or by examining current lot configurations to see if any additional spaces could be created. We will also consider how any potential road closures could impact families who have already purchased space in areas near those roads.

Vice Chair Ward asked about allowing families to purchase pre-need for the new cemetery. GM Deutsch explained that this is definitely something we are considering as stated earlier in the meeting. We will have to work with legal counsel about carefully crafting a disclaimer about how the funds are to be handled and what guarantees will be provided to families wanting to purchase space in a cemetery that has yet to be developed. If we do adopt a program allowing people to put deposits down on future cemetery space, those revenues would also be beneficial and it will give families peace of mind knowing that they do have access to cemetery space.


**MOTION:** of Trustee Hatch, seconded by Trustee Anderson and carried by a roll call vote of 5-0, the Board of the Orange County Cemetery District adopted Resolution No. 2023-06, restricting the purchase of casket interment space at the El Toro Memorial Park for at-need purposes only with a limit of one double-depth casket space per household sharing the same street or mailing address.

#### ITEMS FOR FUTURE AGENDAS - None

#### BOARD COMMENTS

- A. **ISDOC Quarterly Meeting, June 22, 2023 (Virtual), Featuring Kyle Packham with CSDA, “Policy Changes Impacting Special Districts”**

Chair Rivers stated she could not log in. No other Trustees attended the meeting.

  
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**B. Trustee Meeting with Staff Regarding District Gravesite Decoration Regulations**

GM Deutsch stated that after the public's comments concerning the proposed rule changes for gravesite decorations, the Trustees agreed to meet with staff at each of the cemeteries to hear their concerns about gravesite decorations and how it impedes their ability to maintain the grounds.

Chair Rivers and Trustee Hatch met with staff at El Toro Memorial Park. Chair Rivers stated that the staff at El Toro was very insistent on enforcing these new changes. Trustee Hatch said that Chair Rivers was very good in her reaction to staff's comments and showed staff that the Trustees wanted to listen to their concerns. Trustee Hatch said that when you think of a cemetery, you think of the color green. It's a peaceful color and a color of nature. He has a more conservative attitude when it comes to gravesite decorations. He agrees that it is important to allow people to honor and remember their loved ones with displays of flowers and balloons, but it can be taken too far. At that point it becomes problematic for staff to maintain the grounds. The grounds do look better now. While some people will understand and respect the two-item limit, others will skirt it.

Trustee Marroquin-Waldram met with staff at Santa Ana Cemetery. She said it really is a double-edged sword. Families need to follow the rules, but staff also need to be empathetic to families. It is hard for staff to navigate that balancing act. Keeping decorations at the headstone only and limiting to two items was discussed.

Vice Chair Ward met with staff at Anaheim Cemetery. She said they are recommending staying with the two-item limit and using either the in-ground vases or keeping items on the gravestone. They also recommend no items at all taller than 10 inches, so that it will not impede with the irrigation sprinklers. She also stated that we should not limit flags to U.S. Flags only. We shouldn't care what the flag is, as long as it is no taller than ten inches. She said the District also needs to do a better job managing the expectations of families. There are a lot of misunderstandings about flower clean-ups and mowing. The clean-ups are because of Vector Control and mosquito abatement, not because Wednesdays are mowing days. Mowing occurs all the time depending on services.

GM Deutsch said he is working on a flyer that can be posted that will state in brief simple terms what is allowed. He will also be drafting a revised set of rules and regulations based on this feedback from the Trustees. He will bring the new regulations and the flyer to the board for review. The Trustees agreed that we do not need further public comment. Once the new regulations are reviewed and approved by the Trustees, staff can put them into effect.

**ANNOUNCEMENTS**

The CSDA Annual Conference will be held in Monterey from August 28<sup>th</sup> to August 31<sup>st</sup>. Chair Rivers and Trustee Anderson are both attending. GM Deutsch will also be attending and hopes to tour the nearby Veterans Cemetery with Trustee Anderson and Chair Rivers.



Chair



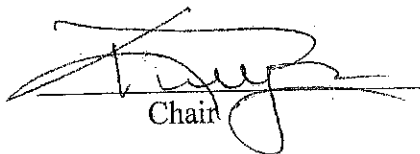
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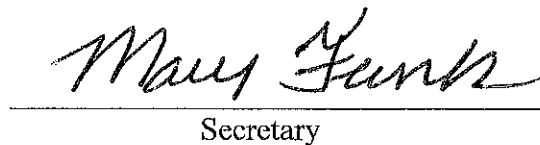


Chair Rivers also reminded the Trustees to please return their completed input forms for GM Deutsch's evaluation to her no later than July 21<sup>st</sup>.

The next regular meeting will be held on **Tuesday, August 1, 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 11:43 a.m.

  
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