

ORANGE COUNTY CEMETERY DISTRICT  
Board of Trustees  
January 9, 2018

MINUTES

The monthly meeting of the Orange County Cemetery District Board of Trustees was called to order by Chair Kelly Rivers at 11:00 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 Vice Chair Ward.

Roll Call by Mary Funk, Secretary.

<u>PRESENT:</u>	Kelly Rivers, Chair	Second District
	Cynthia Ward, Vice Chair	Fourth District
	Maribel Marroquin,	First District
	William E. Nelson	Third District
	Noel Hatch	Fifth District

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

Also Attending: Steve Quintanilla, Law Offices of Quintanilla & Associates  
Kinnaly Soukhaseum, Vavrinek, Trine, Day & Associates

Chair Rivers welcomed new Trustee Maribel Marroquin who was appointed by Supervisor, Andrew Do representing the 1<sup>st</sup> District. Trustee Marroquin spoke briefly about her background stating that she grew up in Santa Ana and currently works for Stacy Davis & Associates an event planning and fundraising organization. She is very interested in government and works to raise funds for various political campaigns. GM Deutsch reported that it was very nice to see all the support for Trustee Marroquin at her swearing in ceremony which was held at the District Office on January 5<sup>th</sup>.

**PUBLIC COMMENTS - None**

Chair Rivers requested that the presentation of the audit by Vavrinek, Trine, Day & Co. be done at this time.

**MOTION** of Vice Chair Ward, seconded by Trustee Marroquin and carried by a vote of 5-0, agreed to move the audit presentation to the beginning of the meeting.

**Independent Auditor's Report**

Kinnaly Soukhaseum with the accounting firm of Vavrinek, Trine, Day & Associates presented the audited financial statements for the Orange County Cemetery District for the year ended June

  
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30, 2017. Ms. Soukhaseum reported that their firm has given a clean opinion of the audit which is the highest rating showing that the District's financial statements are fairly presented in accordance with generally accepted accounting principles. She did state that the Schedule of the District's Proportionate Share of the Net Pension Liability found on page 41 of the Auditor's Report did note a change for Covered Payroll. Due to the implementation of GASB 82, covered payroll represents compensation that is earnable and pensionable. Previous years' information was revised accordingly. Ms. Soukhaseum further reported that they found no exceptions, difficulties or disagreements and they very much appreciated serving as the District's external auditors.

Trustee Hatch congratulated the District for such a positive auditor's report and asked about the District's pension liability, noting that the audit provided quite a bit of narrative on the subject. GM Deutsch explained that every three years the Orange County Employees Retirement System (OCERS) conducts a study that considers all the assumptions used in calculating estimated future earnings and employer contributions rates. OCERS is just completing its most recent study and we are expecting the results in the near future which could impact the District's contribution rates. Trustee Hatch asked what the District's goal is in regard to paying any unfunded liability. GM Deutsch answered that the District's goal is to pay 100% of any unfunded liability. He also noted that the OCERS rates are already set through 2018/19. The new study just coming out will impact rates starting in 2019-2020. There was also some brief discussion on investment strategies for the District, which GM Deutsch said would be discussed in greater detail when the Finance and Investment Committee meets in February.

Trustee Nelson asked why the District's financial statements went from showing a total net increase in fair value of investments at June 30, 2016 of \$199,929 to a total net decrease in fair value of investments at June 30, 2017 of (\$341,764). Brenda answered that the measurement of fair value of investments is required by GASB reporting standards and only "trues up" the value of investments as of that specific date. The GASB purpose is to show what the value and associated gain or loss would be if every investment was cashed in on that date. GM Deutsch mentioned that the District holds all investments to maturity, with only a few exceptions, and will get the full value of the investment at maturity. Brenda Manriquez added that the large decrease is due to a decrease in market value for the specific investment types.

Vice Chair Ward asked if the investment values are still declining or if they are going back up. Brenda Manriquez replied that she would need to research that and provide a follow-up answer.

There was also some discussion about periodically rotating auditors to ensure a fresh review of the District. GM Deutsch explained that the contract for auditors had just been put out to bid over the last year with Vavrinek, Trine, Day & Co. still coming in as the most competitive bid.

Chair Rivers thanked Kinnaly Soukhaseum and her team for the good work.

## CONSENT CALENDAR

- A. Approval of Minutes – Regular Board Meeting, December 5, 2017.

  
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- B. Approval of December 2017 Check Registers (Claims) Nos. 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113 and 114.

**MOTION** of Trustee Nelson, seconded by Trustee Hatch and carried by a vote of 5-0, approved the Consent Calendar.

**GENERAL MANAGER REPORTS**

**Interments and Interment Space Sales Reports – November 2017**

The following interment and interment space sales for November 2017 were reviewed:

			<u>2017-2018</u>	<u>2016-2017</u>
ANAHEIM	Interments	3 (2 Urn)	30 (20 Urn)	24 (7 Urn)
	Lot Sales	1	14	7
EL TORO	Interments	44 (19 Urn)	236 (80 Urn)	205 (79 Urn)
	Lot Sales	66	265	273
SANTA ANA	Interments	22 (4 Urn)	133 (16 Urn)	139 (24 Urn)
	Lot Sales	11	121	141
TOTAL	Interments	69 (25 Urn)	399 (116 Urn)	368 (110 Urn)
	Lot Sales	78	400	421

GM Deutsch reported that Anaheim Cemetery has 14 space sales year-to-date compared to the seven sales from the prior year-to-date figure. He also informed the board the Cemetery Manager, Bill Stelter is starting to track the number of families they refer to Santa Ana and El Toro Memorial Park as Anaheim Cemetery is sold out for full casket interments. El Toro Memorial Park has 31 more space sales year-to-date than the prior year. He also commented that what numbers don't show is the amount of work that goes into interment services, particularly when the gatherings are quite large.

Trustee Hatch asked about the changing demographics in Orange County and how that may impact the District. GM Deutsch explained that the consultant who provided our current strategic plan did offer some insight to the Board as to the many different cultures and ethnicities in Orange County. However, the District does not track ethnicities of families served at this time.

The Board also discussed the road closures at Santa Ana Cemetery. Chair Rivers stated that she would like to see the Board of Trustees, as a group, visit all three cemeteries to see the grounds and to meet staff. She suggested having Board Meetings occasionally occur at the different cemeteries.

**Financial Reports – November 2017**

The Board reviewed the Financial Reports for November 2017. Brenda Manriquez noted that, in answer to Vice Chair Ward's question earlier during the auditor's report, the column to the far right on the November 30, 2017 Balance sheet demonstrates that investments are trending back up. She also noted for revenues that at the end of December, the District received good distributions from property tax. Interest from the Orange County Investment Pool and

  
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CalTRUST are also ahead of budget. The notable expenses were for tree pruning, one-time air conditioning repairs for the office at El Toro Memorial Park and increases in waste disposal rates. The current year expenditures also include the purchase of a Hurricane Stand-on Blower for \$10,075 for El Toro Memorial Park. The statements also reflect a progress payment made to Fast-Track Construction for the Santa Ana/Anaheim niche projects.

Trustee Nelson asked about the increase for workers' compensation. Brenda Manriquez replied that actual payroll was higher than anticipated due to overtime and merit increases which triggered a recalculation for workers' compensation.

### **December Investment Portfolio Changes**

GM Deutsch explained that when the amount of the Endowment Principal fund exceeds \$100,000 in the Orange County Investment Pool, the Board has authorized him to move funds to a third party investor for better returns. This being the case, \$115,000 from the Endowment Principal Fund was moved to Wells Fargo. In addition, a Federal Home Loan Bank investment matured and two CDs were purchased. GM Deutsch stated that he uses caution when investing these funds as he does not want to put too much into one corporate entity.

### **Capital Projects Update**

The Board reviewed the Capital Projects update. GM Deutsch said that at the last meeting the Board accepted the Santa Ana and Anaheim Niche projects and niches have already started selling at both cemeteries. He also noted that retention of \$75,000 will be released to Fast-Track Construction.

The Restroom Remodels and El Toro Niche Project bid package has been placed on the public bid site and contractor bids are due January 30<sup>th</sup>. The goal is to award the contract at the February Board Meeting. GM Deutsch noted that construction will be ongoing during Memorial Day and Cemeteries may need to ensure appropriate restroom space by bringing portable toilets on site.

GM Deutsch commented that there are still two more pieces of equipment that need to be ordered, a trailer for El Toro and a golf cart for Santa Ana. Trustee Hatch asked if we do our own repairs. GM Deutsch answered that we do as much as possible with our mobile mechanic. However, major repairs on important large equipment like the backhoes is done with hired mechanics.

### **The Strategic Plan Dashboard**

GM Deutsch stated that the first sales have taken place in the new niche features at both Santa Ana Cemetery and Anaheim Cemetery. Santa Ana Cemetery is also getting ready to begin work on two more road closures. There are funds in the budget to have these road closures subbed out to a contractor, however, in the past staff has successfully completed similar road closures and it results in substantial savings for the District. GM Deutsch will have staff complete these upcoming road closures as well. When completed it should generate approximately 300 additional full casket spaces.

For District events, GM Deutsch noted that four events were held in December. El Toro Memorial Park hosted the 16<sup>th</sup> Annual Angel of Hope Candlelight Vigil on December 6<sup>th</sup> with

  
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approximately 200 people attending. GM Deutsch also attended a private tour of the Santa Ana Cemetery given by Charles Beal, a local historian. The group that attended consisted of about 12 Orange County librarians specializing in genealogy. The group was specifically interested in Civil War veteran interments, a topic of which Charles Beal is very knowledgeable. GM Deutsch said he will establish future contacts with this group and may give presentations on general information about the District.

The other two events were Wreaths Across America at El Toro Memorial Park which was reported on by Chair Rivers later in the meeting, and The Longest Night Homeless Memorial Program at Anaheim Cemetery, which was reported on by Vice Chair Ward later in the meeting.

**UNFINISHED BUSINESS - None**

**NEW BUSINESS**

**SDRMA Workers’ Compensation Resolution for Governing Body Members and/or Volunteer Coverage**

GM Deutsch stated that the Special District Risk Management Authority is requesting that all of its members have their respective Board review and approve a resolution which allows SDRMA’s excess carrier to continue covering governing body members and/or volunteers under the workers compensation insurance program.

**MOTION** of Vice Chair Ward, seconded by Trustee Trustee Hatch and carried by a vote of 5-0, adopted Resolution No. 2018-01, a resolution of the Orange County Cemetery District Board of Trustees declaring that Trustees, Volunteers, and certain designated individuals shall be deemed to be employees of the District solely for the purpose of providing workers’ compensation coverage while providing their services to the District.

**Board of Trustees – Committee Discussion and Member Selection**

GM Deutsch explained that the Board has three standing committees including the Finance and Investment Committee, the Personnel Committee, and the Communications & Public Relations Committee. With the change of Board Members, it is a good time to review who will sit on which committees. The Board agreed that each committee should be a two-person committee. Trustee Nelson will chair the Finance and Investment Committee with Trustee Hatch as the second member. Trustee Ward will chair the Communications and Public Relations Committee with Trustee Rivers as the second committee member. Trustee Rivers will chair the Personnel Committee with Trustee Marroquin as the second committee member.

There was some limited discussion as to the function of each committee. Chair Ward requested that Board Secretary Mary Funk, provide the Board with a list of all District stakeholders and city representatives who currently receive the District Newsletter.

**MOTION** of Trustee Hatch, seconded by Trustee Nelson and carried by a vote of 5-0, approved that the Finance and Investment Committee, the Personnel Committee, and the Communications and Public Relations Committee will each be two-person committees staffed as follows:

  
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Finance & Investment Committee:  
Chair - Trustee Nelson, 2<sup>nd</sup> Member – Trustee Hatch

Personnel Committee:  
Chair – Trustee Rivers, 2<sup>nd</sup> Member – Trustee Marroquin

Communications & Public Relations Committee:  
Chair – Trustee Ward, 2<sup>nd</sup> Member - Trustee Rivers

### **ITEMS FOR FUTURE AGENDAS**

Chair Rivers asked that the Board discuss proposed dates and meeting times for holding Board Meetings at the other two cemetery locations.

### **BOARD COMMENTS**

#### **Angel of Hope Candlelight Vigil, December 6, 2017, El Toro Memorial Park**

This event was covered during the General Managers Strategic Plan Dashboard discussion. No Trustees attended.

#### **CSDA Executive Committee Meeting, Sacramento – December 8, 2017**

Chair Nelson stated that the committee discussed the usual financial reports which were excellent. CSDA’s earnings were approximately \$400,000, which was well beyond what was budgeted. Once again, there was record attendance at the conferences and workshops. The committee also discussed the CEO evaluation and goals for 2018.

#### **Wreaths Across America, December 16, 2017, El Toro Memorial Park**

Chair Rivers reported that it was a nice event and the American Heritage Girls were very well prepared and organized. Board Secretary, Mary Funk, explained that there were difficulties with the delivery of the wreaths and was a problem with cemeteries throughout California. Cemetery Manager Bud Bales was able to pick up wreaths from Pacific View who had received an ample supply. The following week we received several belated deliveries of wreaths and the American Heritage Girls came back on the 23<sup>rd</sup> to respectfully place those wreaths as well. Chair Rivers noted that additional help is needed on events like this.

#### **“Longest Night” Homeless Memorial Service, December 21, 2017, Anaheim Cemetery**

Trustee Ward reported that Tim Houchen, founder of the non-profit organization, Hope 4 Restoration, organized this event along with two other programs that happened the same day. The program was to bring awareness to and remember the 207 homeless people who died in Orange County in 2017. Trustee Ward commented that it was a really wonderful and moving service that included an address by Assemblywoman Sharon Quirk-Silva, an interfaith memorial service, testimonies by people who had experienced homelessness, and a candlelit reading of the 207 names that were inscribed on a beautiful portable memorial wall. There was some discussion about how the District could become more involved in this cause including the possible construction of a permanent homeless memorial.

  
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**ISDOC Executive Committee Meeting, Fountain Valley, January 9, 2018**

Trustee Nelson explained that the Independent Special Districts of Orange County is like a local chapter of CSDA. Chair Nelson gives a CSDA report at each ISDOC Executive Committee Meeting. At this meeting he reported that CSDA is offering free trainings for the required AB1234 Ethics course for all CSDA members who renewed their memberships. The training is available through march 15<sup>th</sup>. He also reported that Julio Sanchez was the winner of CSDA’s Annual Student Video Contest that featured Cosumnes Community Service District. The student filmmaker earned a \$2,000 scholarship. He also reported the sad news that CSDA Board Member Arlene Schafer’s husband recently passed away and he asked that we all keep Arlene and her family in our thoughts and prayers.

**ANNOUCEMENTS**

The ISDOC Quarterly Meeting will be held in Fountain Valley on January 25, 2018. Trustee Nelson and Chair Rivers will attend.

The ISDOC Executive Committee Meeting will be held on February 6, 2018 in Fountain Valley.

The CAPC Annual Conference will be held in San Luis Obispo on Feb. 22-24 2018. Chair Rivers, Vice Chair Ward, Trustee Nelson, and Board Secretary Mary Funk will all attend. GM Deutsch stated that he has not yet decided if he will attend.

**CLOSED SESSION**

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

The Board adjourned to closed session at 12:30 p.m. The Board reconvened from closed session at 1:10 p.m. General Counsel Steve Quintanilla of the Law Offices of Quintanilla and Associates stated that no reportable action took place in closed session.

Trustee Hatch requested that the next regular meeting of the Board of Trustees be held one hour earlier as he has another meeting he needs to attend on that afternoon. The Board agreed. The next regular meeting will be held on **Tuesday, February 6, 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 1:13 p.m. to Tuesday, February 6, 2018 at 10:00 a.m.

  
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