

**ORANGE COUNTY CEMETERY DISTRICT  
Board of Trustees  
November 2, 2021**

**MINUTES**

The regular monthly meeting of the Orange County Cemetery District Board of Trustees was called to order via video conference by Chair Marroquin-Waldram at 10:05 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 Nelson.  
Roll Call by Board Secretary, Mary Funk.

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

ABSENT:	Cynthia Ward	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 - None**

**CONSENT CALENDAR**

- A. Approval of Minutes – Regular Board Meeting, October 5, 2021.
- B. Approval of the November 2021 Check Registers (Claims) Nos. 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, and 80.
- C. Acceptance of the Quarterly Investment Report for September 30, 2021.

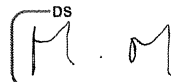

**MOTION:** of Trustee Hatch, seconded by Trustee Rivers and carried by a roll-call vote of 4-0, (Trustee Ward absent for the vote), approved the Consent Calendar.

**MANAGER REPORTS**

**A. Interments and Interment Space Sales Reports – September 2021**

The following interment and interment space sales for September 2021 were reviewed:

			<u>2021-2022</u>	<u>2020-2021</u>
ANAHEIM	Interments	3 (1 Urn)	21 (16 Urn)	23 (17 Urn)
	Lot Sales	6	17	14

	
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EL TORO	Interments	77 (23 Urn)	225 (77 Urn)	220 (78 Urn)
	Lot Sales	128	375	286
SANTA ANA	Interments	17 (4 Urn)	51 (23 Urn)	97 (25 Urn)
	Lot Sales	4	15	51
TOTAL	Interments	97 (28 Urn)	297 (116 Urn)	340 (120 Urn)
	Lot Sales	138	407	351

GM Deutsch reported that Anaheim Cemetery had six space sales that were all cremation based and conducted three services in September, none of which were COVID-19 related.

El Toro Memorial Park had 128 interment space sales which is the second highest number for sales since the District's inception. Only April of 2021 was higher with 139 spaces sold. Of those sales, 104 were for casket spaces, 18 were for niches, and six in-ground cremation spaces were sold. Pre-Need sales accounted for 60.9% of sales. Year-to-date, El Toro has sold 375 spaces which is 89 more than the previous year at this time. El Toro has approximately 3,460 remaining available casket spaces. At the current rate of sale, El Toro could be sold out for full casket interment space in three years. There are approximately 505 niches remaining. GM Deutsch stated that when the available niche inventory reaches around 200 they will begin to add additional niches at El Toro Memorial Park. During September, El Toro conducted 77 interments of which 54 were casket placement and 23 were cremation placement. There were 8 COVID-19 related interments at El Toro during September.

Santa Ana Cemetery sold four spaces including one casket space which had been on hold by a family for some time. Santa Ana conducted 17 interments including 13 casket burials and 4 cremation placements. There were no COVID-19 related deaths for interments in September.

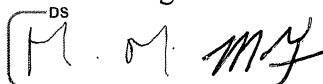
Overall, the District sold 138 spaces and conducted 97 interments. Space sales included 105 casket spaces, 25 niche spaces and 8 in-ground cremation spaces. Trustee Hatch made a correction on the memo report which needed to show 105 casket spaces rather than 97. Year-to-date, the District has sold 407 interment spaces which is 56 more than the previous year at this time. On services, the District has conducted 297 services year-to-date which is 43 less than the previous year at this time.

GM Deutsch reported that staff is working hard to get the new spaces in El Toro Memorial Park's Old Section pinned and mapped. There are currently about 70 families on the waiting list for this new area which should generate about 200 new casket spaces.

On the Income Report, GM Deutsch pointed out that El Toro's revenue supports the other two operations. He also stated that we should be getting the bulk of the property tax revenue in December.

#### B. Financial Reports – September 2021

Brenda Manriquez reported that revenues are fine and reiterated that the District should be receiving large tax distributions in December. Space sales are going like gangbusters, primarily due to the high volume of pre-need sales at El Toro Memorial Park. Currently, revenue from



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space sales are outpacing last year's numbers as well as what was estimated for the budget. Services are also doing better than expected, but not as significantly as the interment space sales.

Expenses are trending as is typical. The 1400 account is slightly skewed as there has been a delay in receiving the Santa Ana security bills and they were not processed this month.

For equipment, the invoice for the backhoe went out this month.

On the Balance Sheet, the Trial Balance is done, and barring any unforeseen changes, the District should be able to add an additional \$500,000 to Committed Funds for New Cemetery Development. This should bring the total Committed Fund to just over \$13 million.

Brenda Manriquez also noted that the cash in the District's Wells Fargo Account is higher than normal because we have not moved credit card payments out yet.

#### **C. Interest Rates – September 2021**

GM Deutsch stated that there were no dramatic changes in interest rates for the period. Since the District is focusing on short term investments, rates have dipped lower. Stifel rates for the Endowment Principal Fund have gone up slightly as we begin to focus on filling our five-year ladder. Vice Chair Nelson asked why UBS was so low. GM Deutsch explained that we have not yet had any reinvestments like we have with Stifel. In the other funds we are trying to stay as liquid as possible which results in lower rates. It is only the Endowment Principal Fund where we are filling in our five-year ladder.

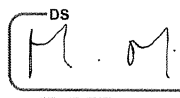

#### **D. Investment Portfolio Changes – October 2021**

GM Deutsch noted that the Investment Portfolio shows activity for investments that have matured and how the District has reinvested. As stated with the Interest Rates report, the District is focusing on investments under 24 months to keep as liquid as possible for the purposes of new cemetery development. As a result, we are typically seeing rates between .30% and .50%. With the Endowment Principal Funds, we are investing more long-term with a focus on filling out our five-year ladder. For investments maturing within the next six months, the UBS Endowment Principal and Income will have \$260,000 maturing; the Stifel Endowment Principal and Income will have \$1,477,000 maturing; and the Stifel Pre-Need Fund will have \$312,000 maturing. The last page of the report shows the current posted interest rates for the pooled funds.

Trustee Hatch asked if there is any period of time, such as a three-year term that would yield better results. GM Deutsch said that 36 months out we are still looking at rates of 1.25% to 1.5%. He pointed to the Bank of America Corp Bond with a yield of 1.352% as an example, adding that there is no real light at the end of the dismal interest rate tunnel. The District is currently happy to get 0.50% on two-year investments.

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

GM Deutsch said that LSA is finishing the Spring Environmental Studies on the Gypsum Canyon property and is working on permit applications for State and Federal Resource Agencies. He and Chair Marroquin-Waldram met with Supervisor Wagner's office to go over the business plan that was submitted to the County. GM Deutsch also led Senator Min on a tour of the site,

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stating that as support swells for the Veterans Cemetery, more and more people are interested in the site.

GM Deutsch also reported that the improvement projects for the three existing cemeteries will be discussed later in the meeting, but the intent is to get all three existing cemeteries in good shape, so that the District can concentrate its efforts and resources on building the new fourth public cemetery.

For equipment, GM Deutsch said he also moved forward in ordering a small gator which had been approved in the budget. Since the gator, which cost \$14,392 was under the GM’s \$25,000 spending limit, there was no need to bring it to the board for approval. He was able to order a gator that they had in stock, so there should be no delay in receiving it, as there has been with other pieces of equipment that have been on back order.

**GENERAL COUNSEL REPORT**

Counsel Quintanilla reported that the Governor signed AB 361, which permits legislative bodies that are subject to the Brown Act to continue to hold remote meetings until January 1, 2024, subject to certain requirements. If the state of emergency remains active or if state or local officials have imposed or recommended measures to promote social distancing, in order to continue meeting remotely, our Board must state by a majority vote at least 30 days after its first remote meeting and every 30 days thereafter the following: 1) that the Board has reconsidered the circumstances of the state of the emergency; and either 2) the state of emergency continues to directly impact the ability of the Board to meet safely in person, or 3) state or local officials are continuing to impose or recommend measures to promote social distancing.

**MOTION:** of Trustee Hatch, seconded by Trustee Rivers and carried by a roll-call vote of 4-0, (Trustee Ward absent for the vote), adopted Resolution 2021-09, making certain findings pursuant to AB 361, allowing continued teleconferenced meetings in accordance with AB 361 during the current State of Emergency related to the COVID-19 Pandemic.

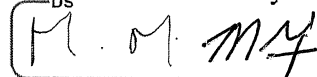
**UNFINISHED BUSINESS - None**

Chair Marroquin-Waldrum recommended that the Board continue on to New Business and adjourn to Closed Session at the end of the meeting.

**NEW BUSINESS**

**A. California Special District Association Bylaw Amendments & Vote**

GM Deutsch explained that CSDA regularly reviews and amends its bylaws. The last time the CSDA bylaws were updated was about five years ago. GM Deutsch asked if any of the Trustees had any comments. Vice Chair Nelson stated that he disagreed with the amendment that disqualifies a Director from serving on the CSDA Board if they are also elected or appointed to serve as a Director on the Board of the Special District Risk Management Authority (SDRMA). He sees no reason why this is necessary and stated that he will be voting against approving the



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bylaws for that reason. Trustee Hatch asked what our Board wants to do on the vote. Chair Marroquin and Trustee Rivers said that they both defer to Vice Chair Nelson's opinion. GM Deutsch said that the electronic vote really has no option to send comments, but he could email CSDA explaining why we voted against the bylaw amendments.

**MOTION:** of Trustee Hatch, seconded by Vice Chair Nelson and carried by a roll-call vote of 4-0, (Trustee Ward absent for the vote), opposed the proposed California Special District Association's Bylaw Amendments.

#### **B. OCERS Employer Contribution Discount for Fiscal Year 2022-23**

GM Deutsch explained that every year OCERS offers a discount for the employer's contribution payments made before January 14, 2022. The approved discount rate is 5.8% on the amount that is paid in advance. Based on estimated salaries, the contribution amount with the UAAL rate component would be \$303,529.25. This would give the District a discount of \$16,639.60. Considering the interest rate of 0.504% that the District is getting from the County on our General Fund cash balance, GM Deutsch stated that it makes financial sense to take the discount. In addition, we overpaid \$2,452.75 for the 2020-21 contributions which will be applied to create an adjusted Net Employer Contribution Prepayment. The total amount that the District will pay in advance will be \$284,436.90.

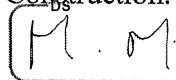
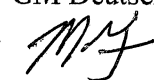
Trustee Hatch asked where this leaves us on a retirement position and would the District be fully funded? GM Deutsch explained that this is not a factor in paying off our UAAL, but is just prepaying employer contributions. Brenda Manriquez explained that we currently have a UAAL of about \$600,000, which is why our contribution rate is slightly higher. The Board had agreed previously not to payoff our current UAAL, as in past year's we had actually overpaid. There are very few Districts who are fully funded. Currently the District is at 94.89% funded.

**MOTION:** of Trustee Hatch, seconded by Vice Chair Nelson and carried by a roll-call vote of 4-0 (Trustee Ward absent for the vote), approved pre-paying the employer's contributions to OCERS and authorized the General Manager to execute transfer of payment in the amount of \$284,436.90 to OCERS.

#### **C. Award of Contract – District Cemetery Improvement Project**

GM Deutsch reported that the District has received two bids from pre-approved contractors who are registered with the Department of Industrial Relations for improvement projects for all three cemeteries. Originally there were three contractors interested in submitting a bid but Seashore Construction dropped out. The work includes new flooring, paint and cabinets for Santa Ana and Anaheim staff breakrooms and improved access and space to the changing/locker rooms; drainage improvements around the El Toro office building; and repairs to outside structures at the Santa Ana office building and safety improvements to the stairs at the Santa Ana office.

While there was a large difference in the dollar amount between the two bids, the District does not feel that the apparent low bidder, Horizons Construction, underbid the project. Their bid was \$207,437, which seems to be a more realistic number than the \$345,000 submitted by Fast-Track Construction. GM Deutsch stated that there is \$770,000 in the Capital Improvement Budget, but

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those funds must also cover additional expenses for new cemetery development and other improvements at El Toro Memorial Park. GM Deutsch estimates that \$353,900 is available in the fund for cemetery improvements.

Vice Chair Nelson stated that the scope of services was not attached in the Public Works Construction Agreement. GM Deutsch showed a document showing a more detailed scope of work and stated that he would forward that document to the Trustees. He will also take “before” pictures so the Trustees can see how the work will improve all three locations.

**MOTION:** of Trustee Hatch, seconded by Vice Chair Nelson and carried by a roll-call vote of 4-0 (Trustee Ward absent for the vote), approved the award of the construction contract to Horizon’s Construction Company Int’l., for the office and breakroom improvements to all three of the District Cemeteries in the amount of \$207,437,00, and authorized the General Manager to execute the requisite contract and approve any change orders up to 10% of the contract or \$20,743.00.

At 11:00 a.m. GM Deutsch recommended that the Board move to Closed Session.

**CLOSED SESSION**

- A. Conference with Legal Counsel – Potential Initiation of Litigation Pursuant to Government Code Section 54956.9  
One potential case.

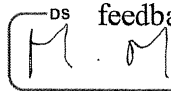
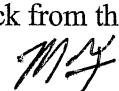
The Board reconvened from closed session at 11:23 a.m. Counsel Quintanilla stated that no reportable action took place.

**ITEMS FOR FUTURE AGENDAS**

GM Deutsch said that audit documents will need to be reviewed by the Finance and Investment Committee before submitting to GFOA. He also mentioned that LAFCO will be conducting the MSR process within the next six months.

**BOARD COMMENTS**

- A. **CAPC Education/Area Meeting, Oct. 8-9, 2021, San Luis Obispo, CA**  
Chair Marroquin stated that she attended the conference and enjoyed it very much. She found it to be interesting and informative.
- B. **CSDA Member Services Committee Meeting, Oct. 14, 2021, Sacramento, CA**  
Vice Chair Nelson attended this meeting. He reported that CSDA is meeting or exceeding all of its goals for membership retention and for new member recruiting.
- C. **Meeting with Supervisor Wagner, October 20, 2021, Santa Ana, CA**  
Chair Marroquin-Waldram reported that she attended this meeting with GM Deutsch to go over the District’s business plan that was submitted to the County for the development of the new public cemetery. They also discussed current CEQA requirements. So far feedback from the County has been very positive. Trustee Hatch asked if any state


  
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funding for the Veterans Cemetery was discussed. GM Deutsch said that it was not discussed.

- D. ISDOC Quarterly Meeting, Oct. 28, 2021, Fountain Valley, CA (Teleconferenced)**  
Chair Marroquin-Waldram, Vice Chair Nelson, Trustee Rivers and GM Deutsch all stated that they attended this virtual ISDOC Quarterly Meeting. The topic was on AB 361 and remote meetings. In addition, Santa Margarita Water District gave a presentation.

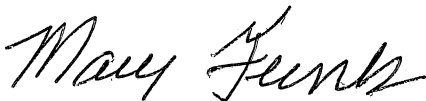
**ANNOUNCEMENTS**

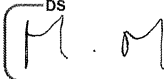
- A. Veterans Day Program – El Toro Memorial Park, Nov. 11, 2021 at 11:00 a.m.**  
Chair Marroquin-Waldram and Trustee Rivers said that they would both be attending the Veterans Day Program.
- B. Angel of Hope Candlelight Service – El Toro Memorial Park, Dec. 6, 2021 at 7:00 p.m.**
- C. Wreaths Across America – El Toro Memorial Park and Santa Ana Cemetery, December 18, 2021 at 9:00 a.m. with wreath placement to follow.**


The next regular meeting will be held on **Tuesday, December 7, 2021**, 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 11:35 a.m.

DocuSigned by:  
  
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 Chair

  
 Secretary

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 Chair

  
 Secretary