

**ORANGE COUNTY CEMETERY DISTRICT**  
**Board of Trustees**  
**August 3, 2021**

**MINUTES**

The regular monthly meeting of the Orange County Cemetery District Board of Trustees was called to order via video conference by Vice Chair Nelson at 10:00 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 Trustee Kelly Rivers.  
Roll Call by Board Secretary, Mary Funk.

PRESENT:	Maribel Marroquin, Chair	First District (Arrived 10:10 a.m.)
	William E. Nelson, Vice Chair	Third District
	Kelly Rivers	Second District
	Cynthia Ward	Fourth District
	Noel Hatch	Fifth District

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, July 6, 2021.
- B.    Approval of the August 2021 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, 2021.
- D.    Approval of excused absences for Trustee Noel Hatch at the May 4, 2021 Board Meeting and Chair Maribel Marroquin at the July 6, 2021 Board Meeting.

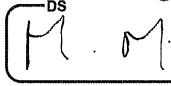

**MOTION:**   of Trustee Hatch, seconded by Trustee Rivers and carried by a roll-call vote of 4-0, (Chair Marroquin absent for the vote) approved the Consent Calendar.

Chair Marroquin joined the meeting at this time.

**MANAGER REPORTS**

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

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

	
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			<u>2020-2021</u>	<u>2019-2020</u>
ANAHEIM	Interments	14 (9 Urn)	129 (87 Urn)	76 (50 Urn)
	Lot Sales	6	67	47
EL TORO	Interments	77 (30 Urn)	973 (306 Urn)	691 (220 Urn)
	Lot Sales	102	1,276	730
SANTA ANA	Interments	18 (8 Urn)	305 (113 Urn)	309 (64 Urn)
	Lot Sales	9	125	164
TOTAL	Interments	109 (47 Urn)	1,407 (506 Urn)	1,076 (334 Urn)
	Lot Sales	117	1,468	941

GM Deutsch stated that this year was certainly an anomaly. He does not expect the activity to continue in this upward trend, although from a revenue perspective the record-breaking year has been quite good for the district financially.

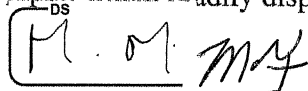
At the end of the fiscal year, Anaheim Cemetery had 67 space sales which was 20 more than the previous year. There were 129 interments which was 53 more than the prior year. There were no COVID related deaths in June.

At El Toro Memorial Park there were 102 spaces sold in June with 87 of those being for casket space. At Fiscal Year End, El Toro has sold 1,276 total spaces. This is not only a record for El Toro Memorial Park, it is also a record number for the District overall. El Toro now has approximately 3,747 available casket spaces. GM Deutsch believes this will last approximately 4 to 6 years depending on the current rate of sale and also factors in the casket spaces that will be added with the road closure in the Old Section. Ten niches in the Maureen Rivers Memorial Niche Garden were sold in June, leaving 537 niches still available for sale. GM Deutsch estimates these niches will all be sold within 4 to 5 years. He is completing a niche/cremation masterplan for all three cemeteries to make sure we stay ahead on the demand for niche space.

During the month of June, El Toro Memorial Park conducted 77 interments, none of which were COVID related. At Fiscal Year End, El Toro had completed 973 interments. This is the highest number of services performed at El Toro.

Santa Ana Cemetery had nine space sales and they conducted 18 interments in June, none of which were COVID related. As expected, space sales are down with no casket spaces available for sale. Interments are holding steady with 305 services conducted for the year, which is only 4 less than the previous year. Santa Ana's cremation rate is rising steadily, again because casket spaces are sold out.

District-wide, the year ended with 1,468 space sales and 1,407 interments conducted. Of course, these are both records for the District. Pre-need transactions account for 65.8% of sales. GM Deutsch also pointed out the year-end historical charts and information included with the June report which readily display the record numbers the District has experienced this year. He did



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point out that on the last page of the report, the interment numbers only reflect totals since the District's formation. The actual number of interments in each cemetery is higher since all three cemeteries were established in the 1800's.

**B. Financial Reports – June 2021**

Brenda Manriquez reported that with the record numbers for space sales and interments, the financials look lovely. It is the first time she can recall seeing revenues over \$7 million. She did note while the numbers include all of the accruals, they do not yet reflect all of the expenses. The net income will decrease somewhat, but not drastically. In terms of revenue, everything except interest is high. Pre-Need sales are nearly double what was expected.

Expenses are in line with what has been trending all year. There were savings in some categories such as travel, conferences and special events, but overages in other areas such as salaries and services and supplies. The full \$201,652 in the Economic Uncertainty Fund was allocated in June 2021.

Brenda Manriquez reported that everything is in for equipment. There were just a few more invoices in June from consultants for the new property.

With all the revenue coming in, the Balance Sheet shows \$4,529,258 in unassigned. Brenda Manriquez stated that she expects that District will be able to commit at least \$2 million for new cemetery development. Vice Chair Nelson asked if it is possible for the District to borrow from the \$8,525,141 in the Endowment Care Income Fund. Counsel Quintanilla replied that he believes it is possible, provided the District provides the proper documentation. GM Deutsch said the Finance and Investment Committee will need to meet and discuss this option.

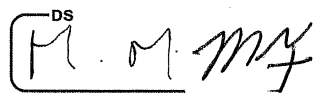
Vice Chair Nelson questioned the numbers shown in the Financial Report for Building and Improvements and those showing in the Capital Projects Report. Brenda Manriquez said that the financial report is still for fiscal year 2020-21, while the Capital Projects Report is addressing projects in the current fiscal year. Vice Chair Nelson asked for a breakdown of the \$1.3 million showing in the Financial Report for Buildings and Improvements. GM Deutsch and Brenda Manriquez replied that approximately \$400,000 was for the El Toro Curb and Asphalt Project, approximately \$500,000 was for the Santa Ana Cemetery Curb and Asphalt Project, and approximately \$300,000 was for consultants on the new cemetery property.

**C. June 2021 Interest Rates**

GM Deutsch stated that there was not much change with interest rates. The most notable gain was with the Stifel Pre-Need Fund. GM Deutsch stated that when we spread out our investments, we are still at about 2.5%.

**D. Investment Portfolio Changes – July 2021**

GM Deutsch reported that there was just a small amount of activity in the District's investment portfolio. In the next six months UBS will have \$831,000 maturing, Stifel will have \$1.7 million maturing, and the Stifel Pre-Need Fund will have \$337,000 coming up for renewal. GM Deutsch stated that he is trying to keep terms to two years or less, in case we need to liquidate any of those investments for new cemetery development.

The image shows two handwritten signatures. The first signature is on the left, above the word 'Chair', and the second is on the right, above the word 'Secretary'. Both signatures are written in dark ink and appear to be initials or first names.

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**E. Capital Projects Update**

GM Deutsch said that this report presents all the capital improvement projects planned for the 2021-22 fiscal year, with allocation of funds by location. The only contract that has been assigned is to Architect, Jim Mickartz for the improvements scheduled for staff facilities. Equipment includes a new Backhoe for Santa Ana at \$95,000; a new mower for El Toro at \$33,000; two utility vehicles for Santa Ana and El Toro at \$45,000; a new District truck for \$33,000; and a sweeper for El Toro at \$53,000.

**F. 2020-21 FY Audit Update**

Brenda Manriquez reported that the auditors have been doing everything virtually. So far, everything looks good and there have been no problems brought to our attention. The auditors are focusing heavily on payroll and human resources. GM Deutsch added that SAS 114 letters should go out later this month. Vice Chair Nelson asked how long we have been with this auditing firm. Brenda said that we have been with the same group for about ten years, but it was last bid out about four years ago. We have one more year before we go out for bid again. At the last bid, since we stayed with the same firm we asked for a new partner to lead the audit who could bring a fresh perspective.

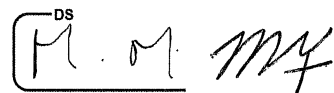
**G. OCERS Update**

GM Deutsch stated that each month Brenda Manriquez attends an update meeting with OCERS. He also said that in the most recent newsletter, OCERS stated that the funding is at 80.7%. The fund is reviewed annually and we are regularly looking at our UAAL. Brenda Manriquez stated that OCFA and the County are both paying off big portions of their UAAL. She just received the 2020 valuation which will impact rates for 2022-23. Currently we are about 95% funded and Brenda Manriquez stated that she does not recommend paying off our small UAAL at this time. She also noted that according to the calculations applied with GASB 68 we have a net pension asset of about \$150,000. Overall, we are managing well and nothing stands out as being an issue. The OCERS building is still closed with staff working remotely. They plan to phase back in person staffing sometime in September. Trustee Hatch asked if OCERS was investing in Equities and wondered if that explained the increase. Brenda Manriquez replied that it really has more to do with the large payments OCFA and the County are making to payoff their UAAL, which is allowing OCERS to invest more lucratively. Trustee Hatch asked if OCERS is going into Europe. Brenda Manriquez said that is correct, adding that they have a very diversified portfolio.

**GENERAL COUNSEL REPORT**

Counsel Quintanilla discussed whether workplaces could require vaccinations. He recommended that the District follow state and county agencies. Employees can decline to be vaccinated on religious or health reasons and employers must provide reasonable accommodation for those employees. Employers may also require unvaccinated employees to produce negative COVID tests and require them to wear masks and maintain social distancing.

**UNFINISHED BUSINESS – None**

  
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**NEW BUSINESS - None**

**A. Equipment Purchase Approval**

GM Deutsch reported that the District would like to purchase a new backhoe for Santa Ana Cemetery, just like the one that was ordered last year for El Toro Memorial Park. We will be using the same purchasing alliance (Sourcewell) which provides the District with a 42% discount. Due to the dollar amount of the purchase it does require Board approval.

**MOTION:** of Vice Chair Nelson, seconded by Trustee Hatch and carried by a roll-call vote of 5-0, approved the purchase of the New Holland Backhoe B95C in the amount of \$93,372.17 to Scott Equipment and authorized the General Manager to execute the purchase order.

At 10:46 a.m. the Board adjourned to Closed Session.

**CLOSED SESSION**

**I.**

- A. Public Employee Performance Evaluation Pursuant to Government Code Section 54957:  
Employee's Title: General Manager
- B. Labor Negotiations – Unrepresented Employee Pursuant to Government Code Section 54957.6(a)  
Unrepresented Employee: Tim Deutsch, General Manager  
District's Representative: Steven B. Quintanilla, General Legal Counsel
- C. 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 1:05 p.m. Counsel Quintanilla stated that no reportable action took place.

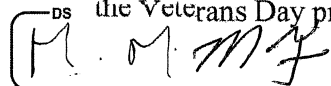
**ITEMS FOR FUTURE AGENDAS - None**

Steve Quintanilla requested that the General Manager's employment contract be placed on the September Board Meeting agenda.

**BOARD COMMENTS**

**A. District Special Events Planning Meeting – July 20, 2021 (Virtual)**

Trustee Rivers, Trustee Ward and Chair Marroquin attended the meeting. Chair Marroquin explained that the purpose of the meeting was to discuss the potential for Dia de los Muertos events at Anaheim and Santa Ana Cemetery and a Veterans Day program at El Toro Memorial Park. Trustee Ward stated that we are looking at a drive through Dia de los Muertos program where free pre-packaged treats, crafts and flowers would be handed out to visitors. Maribel Marroquin said that the Committee discussed speakers for the Veterans Day program and she has reached out to OC Sheriff Don Barnes who has



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confirmed that he would like to speak. Trustee Kelly Rivers was also in attendance at the meeting.

- B. New Cemetery Development Meeting (Staff), July 21, 2021 (Virtual)**  
Chair Marroquin and Chair Nelson were both in attendance at this meeting, which was discussed during closed session.
- C. New Cemetery Development Meeting (County), July 26, 2021 (Virtual)**  
Chair Marroquin and Chair Nelson were both in attendance at this meeting, which was discussed during closed session.
- D. ISDOC Quarterly Meeting, July 29, 2021 (Virtual)**  
Chair Marroquin and Vice Chair Nelson both attended this event which featured a presentation on plans for the Irvine Great Park. Placentia Library District also gave a presentation. Former State Senator, Dick Ackerman, also spoke. He now works as a consultant in regards to CEQA requirements.


**ANNOUNCEMENTS**

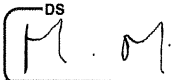
- A. CSDA Fiscal Committee Meeting, August 19, 2021 at 10:00 a.m.**  
Vice Chair Nelson is planning to attend.
- B. CSDA Annual Conference, Aug. 30 – Sept. 2, 2021 in Monterey, CA**  
GM Deutsch will attend this conference.
- C. CAPC Education/Area Meeting, Oct. 8-9, 2021, San Luis Obispo**  
Chair Marroquin, Vice Chair Nelson, and Trustee Rivers will attend this meeting.


The next regular meeting will be held on **Tuesday, September 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 1:13 p.m.

DocuSigned by:  
  
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Chair

  
Secretary

  
Chair

  
Secretary