

ORANGE COUNTY CEMETERY DISTRICT
Board of Trustees
October 3, 2023

MINUTES

The regular monthly meeting of the Orange County Cemetery District Board of Trustees was called to order by Chair Kelly Rivers at 10:02 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 Anderson
Roll Call by Board Secretary, Mary Funk.

PRESENT:	Kelly Rivers, Chair	Second District
	Cynthia Ward, Vice Chair	Fourth District
	Vladimir A. Anderson	Third District
	Noel Hatch	Fifth District

ABSENT:	Maribel Marroquin-Waldram	First District
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STAFF:	Tim Deutsch, General Manager
	Brenda Manriquez, Finance and Accounting Manager
	Mary Funk, Board Secretary

ALSO

PRESENT:	Colin Kirkpatrick, Deputy General Counsel
	Steven Quintanilla, Legal Counsel (Remotely for closed session only.)
	Larry Ryan, RJM Design Group (Remotely for closed session only.)

PUBLIC COMMENTS - None

CONSENT CALENDAR

- A. Approval of Minutes – Regular Board Meeting September 5, 2023.
- B. Approval of the October 2023 Check Registers (Claims) Nos. 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, and 64.

MOTION: of Vice Chair Ward, seconded by Trustee Hatch and carried by a vote of 4-0, (Trustee Marroquin-Waldram absent for the vote), approved the Consent Calendar.

MANAGER REPORTS

A. Interments and Interment Space Sales Reports – August 2023

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

Chair

Secretary

			<u>2023-2024</u>	<u>2022-2023</u>
ANAHEIM	Interments	3 (2 Urn)	15 (12 Urn)	9 (5 Urn)
	Lot Sales	0	6	6
EL TORO	Interments	74 (18 Urn)	154 (49 Urn)	164 (57 Urn)
	Lot Sales	106	241	216
SANTA ANA	Interments	24 (9 Urn)	38 (16 Urn)	23 (15 Urn)
	Lot Sales	9	18	11
TOTAL	Interments	101 (29 Urn)	207 (77 Urn)	196 (77 Urn)
	Lot Sales	115	265	233

GM Deutsch reported that the District is just starting to see a little slow down with the ending of Pre-Need casket interment sales at El Toro Memorial Park which went into effect on August 1, 2023.

Anaheim Cemetery reported no sales in August and conducted three interment services.

El Toro Memorial Park had 106 interment space sales in August. Many of those sales were for Pre-Need appointments that had been booked prior to the limitation on pre-need sales. Of those sales, 84 were for casket spaces and 35 of those casket sales were for At-Need families. GM Deutsch commented that those 35 At-Need sales are a promising number, as Pre-Need casket sales will soon be over. This leaves approximately 652 casket spaces remaining for sale, but does not include any of the new spaces that are being created by staff. In August El Toro also sold 15 niches and 7 in-ground cremation spaces. There are approximately 255 niches still remaining in the Maureen Rivers Memorial Niche Garden. Year-to-date, the cremation rate for El Toro Memorial Park stands at 31.8%.

Santa Ana Cemetery sold nine interment spaces in August including two casket spaces. GM Deutsch said that staff is trying to accommodate families who are in need of burial and already have other loved ones interred at Santa Ana. Since staff will be closing down roads in the near future and creating new casket interment spaces, they are more able to use existing spaces that were being held in reserve for emergency situations. Staff at Santa Ana Cemetery conducted 24 interments in August including 15 casket burials, 4 niche placements, and 5 in-ground cremation burials.

Overall, the District sold 115 interment spaces including 86 casket spaces, 19 niches, and 10 in-ground spaces. GM Deutsch cautioned the Board, that while July and August sales have exceeded the prior year, we will see that number go down with no pre-need casket sales being allowed at El Toro Memorial Park. For August, the District conducted a total of 101 interments. The year-to-date cremation rate is about 38%, which means 62% of sales are still a result of casket spaces.

Trustee Hatch asked how many casket spaces Gypsum Canyon will provide when it opens. GM Deutsch replied that you can typically get 1,000 casket spaces per acre of land. If we open with 15 to 20 acres that will yield between 15,000 and 20,000 spaces. Since there are 80 developable acres at Gypsum Canyon for the public cemetery, when it is fully developed it should provide the residents of Orange County with roughly 80,000 casket spaces.

Brenda Manriquez also explained that on the Income Statement it shows Anaheim cemetery generating revenue for August, which may seem off since the sales report had no sales at Anaheim Cemetery. However, there is always a lag between when the invoices are generated and when the District office receives those paid invoices. The revenues showing in August for Anaheim, were actually generated at the end of July.

B. Financial Reports – August 2023

Brenda Manriquez stated that revenues are good through August. This is important as we go into the remainder of the year without pre-need casket sales at El Toro Memorial Park. As is normal, we have received minimal property tax, but will typically receive about \$1 million in December. Revenues so far exceed operating costs, but this may flip over the next two months until that property tax comes in. Interest is still going gangbusters and year-to-date is more than double what was budgeted.

For expenses everything is steady with nothing out of the ordinary. Most of the variances are due to timing of when invoices are received and paid. Brenda Manriquez did note that utilities are lower than normal because So Cal Edison has had a delay in invoicing El Toro Memorial Park. The District just received an invoice for approximately \$5,000 which will bring it more in line with budget expectations.

There were no equipment expenses for July.

Through August there was a total of \$143,163 incurred in the 4200 Account for Buildings and Improvements. This was all related to new cemetery development at Gypsum Canyon.

On the Balance Sheet, the General Fund has almost \$18 million in cash accounts including the County, CalTRUST and California Class. Brenda Manriquez also explained that the \$1.5 million showing as assigned for land development represents the surplus that is above and beyond the minimum fund balance we must maintain as Unassigned for six months of operating expenses. The District could potentially transfer this as Committed for the purposes of new cemetery development, but Brenda Manriquez anticipates that we may need to dip in to these funds to cover operational expenses that exceed revenues as pre-need sales at El Toro Memorial Park decline.

Trustee Hatch mentioned that the increases in interest earnings is really just a drop in the bucket. Brenda Manriquez said that she is glad to have this extra revenue as it does push up that cushion somewhat.

Trustee Anderson asked if the District has ever considered looking at solar energy as a way to reduce electrical costs. GM Deutsch said the District has briefly considered it. We could create

covered parking at El Toro and install solar panels on the roof of that structure. The current tile roof on the office building is problematic for solar installations. GM Deutsch said they are also looking at the possibility of utilizing solar perhaps on the maintenance buildings at the new cemetery. Gypsum Canyon Memorial Park's electricity would be through the City of Anaheim and not through So Cal Edison. Vice Chair Ward stated that there are tile roofs specifically designed to accommodate solar installations and the City of Anaheim might also have rebate programs available. GM Deutsch confirmed that they are looking at all those options to make our utilities as sustainable and cost effective as possible.

GM Deutsch also noted that they are still waiting for results to see if a well is possible on the new site. The goal would be to be able to supply enough water for both cemeteries including fire suppression, ideally without having to use storage tanks.

Vice Chair Ward asked about the variance of \$22,997 for security. Brenda Manriquez explained that when the District was switching security companies there was about 1 ½ months where there was no security firm in operation at Santa Ana. This resulted in an unanticipated cost savings for the District. Now all three cemeteries have security services from the same company, Star Patrol.

Brenda Manriquez also noted that the September loan payment of \$610,707 went out as scheduled. These payments are very smooth now that everything is all in place with the County.

C. Investment Portfolio Changes - September 2023

GM Deutsch stated that there were just a few changes during the month of September. The short-term investments the District was buying are now maturing and we are purchasing new investments in the 5% range. GM Deutsch advised that we are still keeping Pre-Need fairly liquid. As investments mature in 2024, the District will need to start thinking about not reinvesting, but using those proceeds for operations. GM Deutsch also noted that we have set up Principal and Income accounts in California Class and they are liquid accounts. We will start to liquidate from CalTrust to California Class where the rates are better. Brenda Manriquez explained that at some point in the future, we can pull from the income funds and use those monies for operational expenses, but the fund can only be used for operational expenses and she will have to keep documentation that shows how the Income funds were used. Trustee Hatch asked if we are still in the honeymoon phase with California Class. Brenda Manriquez said that was correct and we are taking advantage of those good rates. GM Deutsch and Brenda Manriquez both agreed that these higher rates with California Class will eventually go down and be more competitive with LAIF, CalTrust, and the OCIP.

GM Deutsch also mentioned that on the Investment Portfolio report the Endowment Principal & Income Funds are grouped together. On next month's report he plans to break those out so it shows what investments are for Endowment Principal and what investments are for Endowment Income.

D. Capital Projects Update

GM Deutsch reported that he had met with the First Responders group on September 7th. No decisions were made at the meeting. He was mostly educating and updating the group on the most recent project activity. He also met with the City of Anaheim's Planning Director on

September 12th. On the following day, he hosted Mayor Aitken and Supervisor Wagner at Anaheim Cemetery where Idea Hall staff recorded videos to be used in future project communications. Trustee Hatch asked for the process that is to come in order to get project approval from the City of Anaheim. GM Deutsch explained that once we get planning approval, then it goes to the Planning Commission. He hopes this will take place in January. Once the Commission grants all the necessary approvals, then it goes before the Anaheim City Council. Vice Chair Ward stated that the Anaheim City Council is extremely supportive of the cemetery development and does not anticipate any problems getting their approval.

GM Deutsch also mentioned that the Voice of OC interviewed him and an article explaining the need for the public cemetery was published. Trustee Hatch asked if there was any recent opposition expressed to the cemetery development. GM Deutsch said that Idea Hall has been monitoring social media and nothing negative has been expressed.

GM Deutsch said that he also met with Mayor Hernandez for the City of Yorba Linda along with City Manager Mark Pulone and Development Director David Brantley to provide an update on the project. They are also very supportive of the cemetery development. GM Deutsch announced that CalVet met on Friday, September 29th, but he was unable to attend due to his son's wedding. He is hopeful that CalVet will release the results of their study in November.

GM Deutsch stated that staff have identified the roads in Santa Ana that will be closed and they are getting bids to remove the asphalt. If the bids come in over \$50,000 it will be brought to the board for approval.

Staff also attended a local landscape show recently and were learning about electric vehicles. If we move to electric mowers and utility vehicles there will be some improvements that have to be made to accommodate the charging areas.

Trustee Anderson stated that he would like to attend future meetings with the First Responders. GM Deutsch said that he would welcome Trustee Anderson's attendance and would let him know when the next meeting will take place.

E. Audit Update

Brenda Manriquez stated that everything is being done remotely by the auditors and all of the interim test work has been completed. The letter of communications has been sent out to the Board so the Trustees should have received that by now. Final field work is expected to be done the first full week of November. Brenda Manriquez reported that she and Diana Vosler are putting together the trial balance and required reports. The only significant change in GASB Schedules relates to subscriptions where the District is using someone else's cloud based software. Brenda Manriquez also stated that they will be using Debt Book which will account for all the District's leases, subscriptions, and debt documents. With Debt Book they will be able to pull all the required schedules and footnotes. The auditors can also login and test everything. Brenda Manriquez stated that the District is on track to have the final audit issued and presented to the Trustees at the January 2024 Board Meeting.

GENERAL COUNSEL REPORT

Deputy General Counsel Colin Kirkpatrick reported that the Governor is signing bills and they will be checking to see which bills might have impacts on the District.

NEW BUSINESS**A. Assistant General Manager Position Discussion**

GM Deutsch said Mary Funk's position as an administrative manager has evolved and expanded over the last several months. With GM Deutsch's focus on the new cemetery, it is necessary to have someone who is able to act on his behalf when GM Deutsch is not available. GM Deutsch is recommending Mary Funk's position be reclassified as Assistant General Manager. Trustee Hatch asked if we are required to publish this position for recruitment purposes. GM Deutsch said that this is simply a reclassification of an existing position internally and we have the authority to do this without opening the position externally. Chair Rivers stated that since Mary Funk has already been acting in this capacity for several months, that the reclassification and corresponding merit increase be retroactive to the beginning of the 2023-24 fiscal year on July 1, 2023.

MOTION: of Chair Rivers, seconded by Vice Chair Ward and carried by a vote of 4-0 (Trustee Marroquin-Waldram absent for the vote), approved the new job description and salary schedule for the position of Assistant General Manager and directed staff to implement the new classification for Mary Funk to be effective, July 1, 2023 at Step 2 of the 2023-24 Assistant General Manager salary schedule with an hourly rate of \$48.47.

Chair Rivers asked if there are any other staff members whose positions may be changing in light of the new cemetery development. GM Deutsch said that in 2024/25 there will only be two Cemetery Managers and Anaheim Cemetery Manager Bill Stelter will be retiring. There are also several groundskeepers who are close to retiring. When Gypsum Canyon Memorial Park opens, GM Deutsch plans to promote from within. He ideally would like to have a Cemetery Manager with longevity who can grow into that position. He does have some ideas for this position. He also mentioned that we may also be providing maintenance services for the Veterans Cemetery if that moves forward and will need to consider that when forecasting for our staffing needs.

B. Resolution Supporting the Nomination of Kelly Rivers as a Board of Director for the California Association of Public Cemeteries (CAPC).

GM Deutsch stated that Chair Rivers has expressed an interest in running for a third term on the Board of the California Association of Public Cemeteries. This requires that the Board take action to support her nomination to run for a Director's seat.

MOTION: of Trustee Hatch, seconded by Vice Chair Ward and carried by a vote of 4-0 (Trustee Marroquin-Waldram absent for the vote), adopted Resolution No. 2023-07 of the Orange County Cemetery District Board of Trustees, supporting the nomination of Kelly Rivers as a Board of Director on the California Association of Public Cemeteries.

GM Deutsch also mentioned that he has been asked to give a presentation for the Public Cemetery Alliance (PCA) on what to do when your cemetery is running out of space. He explained that the PCA is a different association than CAPC. PCA's members are mostly in Northern and Central California. While CAPC has expressed an interest in a merger, it looks like that is unlikely.

Chair Rivers also stated that one of the topics that will be presented at the CAPC Annual Meeting in the Spring of 2024 will be on violence in the workplace. CAPC is asking for CAPC members to submit questions on this topic that they would like to see addressed in the presentation. Questions can be submitted to Carol Griese.

The Board adjourned to Closed Session at 11:08 a.m.

CLOSED SESSION

- A. Conference With Real Property Negotiators Pursuant To Government Code Section 54956.8.

Subject Property: Approximately One-Half Of 283.3 Acres Consisting Of Assessor Parcel Nos. 514-012-08 And 085-071-57, Located In Gypsum Canyon Area in the City of Anaheim

District Negotiator: Tim Deutsch, General Manager of Orange County Cemetery District
Negotiating Parties: Orange County Cemetery District and California Department of Veterans Affairs (CalVet)

Under Negotiation: Terms and Requirements Related to Prospective Transfer of the Subject Property to CalVet for Development and Operation of a State Veterans Cemetery.

The Board reconvened from closed session at 12:06 p.m. Deputy General Counsel Kirkpatrick stated that no reportable action took place.

ITEMS FOR FUTURE AGENDAS

No other items were added other than what had been previously discussed in this meeting.

BOARD COMMENTS

- A. ISDOC Quarterly Luncheon, Fountain Valley, September 28, 2023
No one attended this event.

ANNOUNCEMENTS

The CAPC Annual Education Seminar and Area Meeting will be held in Sacramento from October 6th-7th, 2023. Cemetery Manager, Julio Amarillas and Cemetery Assistant, Robert Hernandez will be attending.

The Dia De Los Muertos Program will be held at Anaheim Cemetery on November 2nd from 5 pm to 8 pm. Vice Chair Ward reported that she has secured a mariachi group and is in the process of securing a ballet folklorico group. Father Cao will also be providing the blessing for the program. GM Deutsch reported that Dia de los Muertos “To Go” events will be held at Santa Ana Cemetery and El Toro Memorial Park where free childrens’ craft kits, marigold bouquets and pan de muerto will be available for pick up while supplies last.

The Veterans Day Observance will be held at El Toro Memorial Park on November 11th at 11:00 a.m. Trustee Hatch has invited Mayor Cynthia Connors of Laguna Woods to be the keynote speaker. Trustee Anderson and Chair Rivers will also be in attendance.

The next regular meeting will be held on **Tuesday, November 7, 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 12:12 p.m.

Chair

Secretary