

**ORANGE COUNTY CEMETERY DISTRICT**  
**Board of Trustees**  
**May 7, 2019**

**MINUTES**

The regular monthly meeting of the Orange County Cemetery District Board of Trustees was called to order by Chair Cynthia Ward 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 Board Secretary, Mary Funk  
Roll Call by Board Secretary, Mary Funk.

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

STAFF: Tim Deutsch, General Manager  
Brenda Manriquez, Finance and Accounting Manager  
Mary Funk, Board Secretary

ALSO PRESENT: Oliver Yee, Attorney - Liebert and Cassidy (Closed Session Only)  
Jim Fisler, Mesa Water District  
Doug Davert, East Orange County Water District

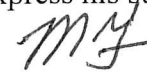
**PUBLIC COMMENTS**

Jim Fisler, who is a candidate for the OC LAFCO Regular Special District Member Seat, addressed the Board to present his qualifications for this position. Mr. Fisler has been a Director for the Mesa Water District since 2009, and was elected as an alternate to OC LAFCO in 2011. Since that time, he has only missed one meeting. Mr. Fisler explained to the Board how he has played an active role at OC LAFCO to ensure that special districts are properly empowered to serve the public effectively and efficiently. Mr. Fisler expressed his desire to have a voting seat on the OC LAFCO Board and asked for the support of the Orange County Cemetery District Board in the upcoming election.

Vice Chair Hatch asked who else was running. Mr. Fisler said that Sandra Jacobs of Santa Margarita Water District is running. However, the nomination period does not close until June 7, 2019, so there may be other candidates. He stated that OC LAFCO will be holding the election for both the Regular and the Alternate Special District Seat. Since he now holds, the Alternate seat, if he wins the Regular Seat, he will complete that term which only has one year remaining. If he does not win the Regular Seat, he will retain his Alternate Seat and finish that term which has three years remaining.

Doug Davert with East Orange County Water District addressed the Board next. He stated he was there to express his support for Mr. Fisler and urged the Board to vote for him. Mr. Davert

  
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stated that Jim Fisler has been stalwart in his support of Special Districts and ensuring that LAFCO uses its authority responsibly so local control and the power of Special Districts is maintained. Trustee Nelson stated that both Mr. Fisler and Mr. Davert have been fine representatives for Special Districts with OC LAFCO. Chair Ward thanked Mr. Fisler and Mr. Davert for taking the time to speak to the Board in person and both of them left the meeting at that time.

**CONSENT CALENDAR**

- A. Approval of Minutes – Regular Board Meeting, April 2, 2019.
- B. Approval of May 2019 Check Registers (Claims) Nos. 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177 and 178.
- C. Acceptance of the District Quarterly Investment Report and Certification for March 31, 2019, pursuant to Government Code Section 53646(b)(1).

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

**GENERAL MANAGER REPORTS**

**Interments and Interment Space Sales Reports – March 2019**

The following interment and interment space sales for March 2019 were reviewed:

			<u>2018-2019</u>	<u>2017-2018</u>
ANAHEIM	Interments	9 (2 Urn)	54 (25 Urn)	59 (32 Urn)
	Lot Sales	4	22	20
EL TORO	Interments	51 (16 Urn)	460 (166 Urn)	488 (168 Urn)
	Lot Sales	76	548	504
SANTA ANA	Interments	41 (8 Urn)	279 (44 Urn)	261 (39 Urn)
	Lot Sales	25	208	207
TOTAL	Interments	101 (26 Urn)	793 (235 Urn)	808 (239 Urn)
	Lot Sales	105	778	731

GM Deutsch reported that March was an exceptionally busy month for all three cemeteries. Overall, the District conducted 101 interments and sold 105 interment spaces in March. GM Deutsch said that it is rare when the District exceeds 100 for both the number of interments and the number of space sales to take place in one month.

At El Toro Memorial Park, there are now 57 families on the waiting list for the new niche area. He also noted that the cemetery received 8 spaces back in Live Oak all in the same lot. At Santa Ana Cemetery, 41 interments were completed in March which is the highest number we have had in the last couple of years. Santa Ana Cemetery has stopped doing interments in the most recent road closure areas to allow the grass to become re-established. With so many interments taking place in one space, the grass has basically been destroyed. Chair Ward asked if resodding

  
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would be a better solution rather than taking the time to reseed. GM Deutsch said that putting down sod is more complicated because all the pins would have to be removed marking lot locations. He also stated that Santa Ana Cemetery Manager, Julio Amarillas is also investigating the remaining inventory throughout the park to determine how many usable spaces are left. GM Deutsch estimates that there is about one year of inventory remaining at Santa Ana, before it is sold out for full casket.

### **Financial Reports – March 2019**

Brenda Manriquez said that the financial report is, once again, looking very good. Not much has changed since the February Report. She stated that the District received approximately \$700,000 in property tax revenue in April, which was up over the prior year's number of about \$550,000.

For expenses, she noted that there was a \$14,000 expense at El Toro Memorial Park in the 1400 account to repair fencing that had been damaged. She also stated that utility costs are down due to the wet weather and not needing to irrigate as frequently. The last piece of equipment came in and was paid for in March.

The District just received the most recent Horizon's invoice and there is still approximately \$500,000 in assigned funds for the capital improvement project, as appears on the Balance Sheet. The Balance Sheet also shows \$9,555,000 in committed funds which is all for the development of the new fourth cemetery.

### **March Interest Rates**

GM Deutsch reported that there was a slight uptick in interest rates for the last quarter. As our longer-term investments are maturing, we are now buying short with investments that have terms of no more than one to two years, and are still able to improve the rates we are getting.

### **April Investment Portfolio Changes**

GM Deutsch said that in April we redeemed one UBS bond and purchased a corporate bond. The District is seeing the benefits of staying short, with rates exceeding those of the longer-term investments.

### **Capital Projects Update**

GM Deutsch said that the paving at El Toro is complete and new striping will be painted in a week. The electrical fixtures have been installed in the new restroom and plumbing fixtures will be next. Unfortunately, the new restroom will not be complete in time for the Memorial Day Program due to a delay in receiving the custom pavers that need to be installed in front of the restroom area for safe access. Chair Ward asked if the custom pavers were more expensive. GM Deutsch explained that even choosing to use custom pavers was less expensive than the option the city had originally approved. At the next Board Meeting GM Deutsch will request approval for this change order. The niches are all in and have passed inspection. Work to install the granite faces will begin shortly. GM Deutsch estimates that work on the project will run in to the first two weeks of the next fiscal year.

### **The Strategic Plan Dashboard**

GM Deutsch led the Board through a PowerPoint presentation with photos and site maps of the land in Gypsum Canyon, pointing out old quarry operations, retaining ponds, potential landslide

  
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areas, and site access. Soils and engineering reports will be forthcoming and the property will be surveyed so the boundaries are clearly distinguished. He also said he will be working with legal counsel to develop an agreement so that costs associated with site access and the establishment of utilities are shared with other users. GM Deutsch stated that he will be meeting with the Orange County Fire Authority later in the month to discuss their training needs and use of the property. He also attended a meeting that Congressman Lou Correa hosted with the Veterans regarding the future of a Veterans cemetery in Irvine. Vice Chair Hatch asked if the District gets to decide what land is used for public and what land is used for the Veterans. GM Deutsch said that the District will make that determination, but we should be mindful that the Veterans are primarily responsible for the District getting access to this property in the first place and they are an instrumental partner in this project. We also need to be the best stewards of public funds and consider development costs that may be associated with the different areas of the parcel.

In other matters concerning the Strategic Barometer, the 4<sup>th</sup> Quarter Family Survey results are in with positive responses overall. The response rate for survey's continued to decline at 17%, which the Board agreed may be due to a survey weary society. Revenues continue to exceed expenses. In March revenues exceeded expenses by \$506,212. Staff evaluations will begin in May and GM Deutsch does not want to delay evaluations due to the labor negotiations. There were two retirements in March which is why the District turnover rate exceeded the goal of 5% or less. Trustee Nelson said that retirement should not count against the turnover rate, because that was intended to be a measurement of job satisfaction. We have met all of the qualifications to renew for the District of Distinction certification and must submit our renewal application by December 31, 2019.

#### **OCERS – 2018 Year in Review Update**

GM Deutsch explained that each year representatives from OCERS visit the District to provide an update of our OCERS plan for the past year. GM Deutsch and Brenda Manriquez recently met with OCERS to get a review of 2018. By the end of May, the District should have a better idea of what the forecasted rates will be. In reviewing the numbers, it appears that the District's Unfunded Actuarial Accrued Liability (UAAL) will be approximately \$280,000. At the next Board meeting GM Deutsch will have an agenda item to pay off the District's UAAL. Brenda Manriquez said that when the OCERS Representatives present to other members they are always jealous of our rates because we are so careful to keep our UAAL paid off.

#### **UNFINISHED BUSINESS - None**

#### **NEW BUSINESS**

##### **Pricing for New El Toro Memorial Park Niche Garden**

GM Deutsch presented a proposed range of prices for the new niche area. He explained that, based on today's dollar, if all of the niches were sold at these prices, and all possible services were conducted for the new niche area, it would generate revenue of \$2,305,230. Of course, it will take many years for all of the niches to be sold and for the maximum amount of inurnments to take place. In the meantime, prices will climb incrementally, so the revenue of \$2.3 million is the minimum amount that will be generated. GM Deutsch confirmed that for the new niche area the lowest cost niche would be \$1,300 compared to \$1,090 for the existing niches.

  
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**MOTION:** of Vice Chair Hatch, seconded by Trustee Nelson and carried by a vote of 5-0, approved the price range of the new niches at El Toro Memorial Park from \$1,300 to \$2,800 per niche.

**Deferred Compensation Plan Resolution Approval**

GM Deutsch explained that in 1998 the Orange County Cemetery District began to offer its employees the ability to participate in a 457 Deferred Compensation Plan. However, the District was recently notified that the three employees who are participating are showing up under the 457 Deferred Compensation Plan for either the Public Law Library or OC Vector Control. In order to correct this, the District needs to establish its own 457 Deferred Compensation Plan. The District does not contribute any funds on behalf of these employees and it is strictly voluntary. In order for this plan to properly be put as an Orange County Cemetery District Deferred Compensation Plan, several executed forms and documents will be submitted and the Board must approve the attached Resolution establishing a deferred compensation plan for the County of Orange in the name of the Orange County Cemetery District.

**MOTION:** of Vice Chair Hatch, seconded by Trustee Nelson and carried by a vote of 5-0, adopted Orange County Cemetery District Resolution 2019-02, establishing a Deferred Compensation Plan for the County of Orange in the name of the Orange County Cemetery District.

**Appointment Process for OC LAFCO Regular and Alternate Special District Member Seats**

The Board briefly discussed the OC LAFCO election for the Regular and Alternate Special District Member Seats. No trustees expressed an interest in running for the seat or in nominating any candidates. Chair Ward agreed to be designated on the Declaration of Qualification to Vote form as our District’s regular voting member. Vice Chair Hatch will be listed as the alternate voting member.

Oliver Yee arrived at 10:56 a.m. and GM Deutsch recommended that the Board move to Closed Session at this time.

**CLOSED SESSION**

Conference with Labor Negotiators pursuant to Government Code Section 54957.6(a):  
District designated representative: Chief Negotiator Oliver Yee, General Counsel Steven B. Quintanilla.  
Employee Organization: Groundskeeping Unit (Service Employees International Union Local 721 CTW-CLC).

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

The Board adjourned to closed session at 11:02 a.m.

  
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The Board reconvened from closed session at 12:27 p.m. GM Deutsch stated that no reportable action took place in closed session. Vice Chair Hatch and Trustee Rivers left the meeting after Closed Session was over.

## **ITEMS FOR FUTURE AGENDAS - None**

## **BOARD COMMENTS**

### **Anaheim Cemetery 2019 Historical Tour – Planning Meeting, April 3, 2019**

Chair Ward, Trustee Marroquin and Trustee Rivers all attended to select interments that will be represented on the tour and discuss responsibilities for planning the event. Since Trustee Rivers left after Closed Session, we will put this event on next month's agenda so she can report out.

### **CSDA Board Meeting, Sacramento, April 5, 2019**

Trustee Nelson reported that they discussed the 2018 audit results and Form 990, the tax return for non-profit organizations. The next planning meeting will be in Newport Beach on June 26<sup>th</sup> right after the General Managers Leadership Summit. The CSDA Board also discussed a post employment benefit that will reimburse for medical expenses. The Board also reviewed revenue generated from conferences and seminars.

### **Orange County Council of Governments (OCCOG) 2019 General Assembly, Anaheim, April 12, 2019**

Trustee Marroquin reported that she found it to be quite interesting. She was most interested in the presentations on homelessness and the use of cargo containers for low income housing. She also stated, that according to Trustee Rivers, attendance at the event was significantly lower than the previous year. It could be that spring break impacted attendance. Trustee Rivers will need to report out on this event as well at the June meeting. Chair Ward asked Trustee Marroquin if there were any materials distributed at the event. Trustee Marroquin said she did pick up some printed information and would be happy to share that with Chair Ward at the next meeting.

### **ISDOC Executive Committee Meeting, Fountain Valley, May 7, 2019**

This meeting was moved back a week to the 14<sup>th</sup>. Trustee Nelson is planning to attend.

## **ANNOUNCEMENTS**

The CAPC Local Area Meeting will be held in Poway on May 16<sup>th</sup> at the Pomerado Cemetery District. Trustee Rivers and GM Deutsch are both planning to attend.

The Special District Legislative Days will be held in Sacramento on May 21-22, 2019. No one from the Orange County Cemetery District is planning to attend.

Memorial Day Programs will be held at all of the three District cemeteries on May 27<sup>th</sup>. Trustee Rivers and Trustee Nelson will attend El Toro Memorial Park's Program. Chair Ward will attend Anaheim's program. Trustee Marroquin will attend Santa Ana's program. The Santa Ana organizers were looking for cash donations for the barbecue lunch they are planning to serve, but were unable to provide any kind of an invoice, so the District declined to assist. GM Deutsch



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suggested that if they would like us to donate products such as hamburger or hot dog buns, we could do that, in lieu of a cash contribution.


The next ISDOC Executive Committee Meetings will be held on May 14<sup>th</sup> and June 4<sup>th</sup>. Trustee Nelson is planning to attend.


The next regular meeting will be held on **Tuesday, June 4, 2019**, 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 12:40 p.m.

  
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