

**ORANGE COUNTY CEMETERY DISTRICT  
Board of Trustees  
June 7, 2022**

**MINUTES**

The regular monthly meeting of the Orange County Cemetery District Board of Trustees was called to order via video conference by Chair Kelly Rivers at 10:03 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 Vladimir 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:	Steve Quintanilla, General Counsel
	Oliver Yee, Legal Counsel – Liebert, Cassidy, Whitmore

**PUBLIC COMMENTS - None**

**CONSENT CALENDAR**

- A. Approval of Minutes – Regular Board Meeting, May 3, 2022.
- B. Approval of Minutes – Adjourned Regular Meeting, May 17, 2022
- C. Approval of the June 2022 Check Registers (Claims) Nos. 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, and 192.
- D. Adoption of Orange County Cemetery Resolution 2022-02, approving the District’s Overhead Rate for fiscal year 2022-23.
- E. Adoption of Orange County Cemetery District Resolution 2021-03, approving the Annual Maximum Appropriations Limitation for Fiscal Year 2022-23.

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

  
Chair

  
Secretary

**MANAGER REPORTS****A. Interments and Interment Space Sales Reports – April 2022**

The following interment and interment space sales for April 2022 were reviewed:

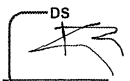
			<u>2021-2022</u>	<u>2020-2021</u>
ANAHEIM	Interments	9 (7 Urn)	81 (62 Urn)	105 (72 Urn)
	Lot Sales	4	48	56
EL TORO	Interments	74 (32 Urn)	791 (250 Urn)	814 (250 Urn)
	Lot Sales	116	1,253	1,057
SANTA ANA	Interments	18 (8 Urn)	198 (86 Urn)	274 (99 Urn)
	Lot Sales	6	57	111
TOTAL	Interments	101 (47 Urn)	1,070 (398 Urn)	1,193 (421 Urn)
	Lot Sales	126	1,358	1,224

GM Deutsch reported that activity is status quo with no surprises. Anaheim Cemetery had four space sales in April and conducted nine interments. Year-to-date Anaheim has conducted 81 interments with the majority of those being cremation based.

El Toro Memorial Park had 116 space sales of which 100 were for full casket spaces and 11 niches and five in-ground spaces were sold. Year-to-date, El Toro has sold 1,253 spaces which is 196 more than the previous year at this time. In terms of available inventory, El Toro has approximately 2,006 remaining casket spaces and the Maureen Rivers Memorial Niche Garden has approximately 433 niches remaining. Staff at El Toro conducted 74 interments for the month, which is down somewhat when compared to previous months. We are tempting to only hold burials on every other Sunday to ensure that staff has some time off they can plan for. Year-to-date, staff at El Toro have conducted 791 interments which is 23 less than the previous year.

Santa Ana Cemetery sold two niches and four in-ground cremation spaces in April and conducted 18 interment services. Since the start of the fiscal year Santa Ana staff have conducted 198 interment services which is 76 fewer than the previous year at this time. The cremation rate at Santa Ana Cemetery continues to climb, since no casket spaces are available for purchase.

GM Deutsch did mention that at both Anaheim and Santa Ana staff are holding back on the sale of the few remaining spaces left because periodically it is determined that a space which has already been sold has become unusable. This can occur when a tree grows in to a space or an unknown historical interment is found to be occupying a space. When this occurs, the District needs to have options available to provide those families with an alternate gravesite. Trustee Ward said that people understand the lack of casket space, but the report needs to make it clear that there are no spaces available for sale.



Chair



Secretary

**B. Financial Reports – April 2022**

Brenda Manriquez reported that everything is trending normally for revenues. In May, the District received approximately \$47,000 for Secured Property Taxes and about \$79,000 for Redevelopment Taxes. Both will exceed budget expectations for this fiscal year. Interest income is still low but slowly starting to come back up. April was the first time in many months that the District has earned over \$3,000 in interest. Revenue from sales and services is trending high as the monthly activity report indicates. Most of the increase is due to pre-need sales at El Toro Memorial Park. We have a record number of contracts open at about 350. Prior to the pandemic we had between 150 to 200 contracts open.

Brenda Manriquez stated that there were no new expenses. There is a spike in the 1400 Account because the District received four months of invoices from our security company all at the same time, which totaled about \$65,000.

There were no new equipment payments in April. In the 4200 Account invoices were paid for the new cemetery development team and to Horizons Construction for the completion of the existing cemetery improvement projects. The District also paid approximately \$45,000 for new cement trash cans and benches.

Brenda Manriquez mentioned that the \$1.7 million in the Endowment Care Principal Fund in the OCIP will be moved to CalTRUST to take advantage of higher interest rates with the same being true for the General Fund. Trustee Anderson asked if interest is down because of the market. Brenda Manriquez confirmed that was the case, adding that both the OCIP and CalTRUST have been below 1% for the last two years and just now starting to see improvements with rates beginning to trend upward.

**C. Investment Portfolio Changes – May 2022**

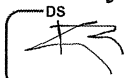
GM Deutsch stated that there was only one investment that matured in May in the UBS – Endowment Income Fund and were able to purchase the First National Bank CD at 1.75%. The rest of the report shows the investments coming due within the next six months. GM Deutsch explained that we are keeping the Endowment Principal more liquid and accessible over the next two years. Current Interest Rates are also posted. GM Deutsch said that he includes the LAIF just for reference even though we have no money in that fund. It is fairly comparable to CalTRUST.

**D. Capital Projects Update**

GM Deutsch said that there is not much new to report for Capital Projects. The improvement projects at the three existing cemeteries is complete and punch list items have been done. Brenda Manriquez will be releasing the small amount of retention. The project will close out in June within the current fiscal year. For equipment purchases, we are not seeing the vehicle models that the District wants, so those final two pieces of equipment will be re-budgeted into the next fiscal year.

**GENERAL COUNSEL REPORT**

Legal Counsel Steve Quintanilla explained for our new Trustee, Vladimir Anderson, that the Cemetery District is governed by the Health and Safety Code. He will be sending out an updated



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version to all the Trustees. He said the most common questions concern who is allowed to be buried at a District Cemetery and eligible non-residents. He will highlight those sections. GM Deutsch also added that the District is due for its board policies review, which is required for the District's continued Transparency and Governance recognitions. He will be working with Counsel Quintanilla in the review of these policies.

## **NEW BUSINESS**

### **A. CSDA Board of Directors Seat B – Southern Network Election 2022**

GM Deutsch explained that elections are being held for Seat B – Southern Network for the Board of Directors at the California Association of Public Cemeteries. In the past Trustee Nelson sat on the Board and was often familiar with many of the candidates. The Board relied heavily on his judgement when selecting candidates for Board seats. GM Deutsch said that of the candidates who running, he is only familiar with Don Bartz who is the General Manager of Phelan Pinon Hills Community Services District. He stated that Mr. Bartz is a good representative for his District.

Trustee Hatch asked if anyone could be using this Board Seat as a political stepping stone. GM Deutsch said that he did not see it that way, but that service on the CSDA Board might help candidates be seen by their communities as being more involved. Trustee Hatch also asked if GM Deutsch had any knowledge about any of the Districts that each candidate is associated with. GM Deutsch said that he didn't think judging a candidate based on their District would be very effective as each Special District is important in its own way.

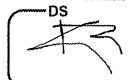
Trustee Hatch felt that the Board should vote for Don Bartz, since that is who GM Deutsch is most familiar with. Chair Rivers agreed. GM Deutsch will submit the electronic ballot with the selection of Don Bartz.

**MOTION** of Trustee Hatch, seconded by Chair Rivers, and carried by a vote of 3-0, (Vice Chair Ward abstaining since she was unresponsive on roll call vote. Trustee Marroquin-Waldram absent for the vote), approved the selection of Don Bartz to fill Seat B - Southern Network Board of Directors 2023-2025.

### **B. Construction and Installation of Flag Pole Proposal Approval**

GM Deutsch stated that the District has been tasked with helping the County of Orange memorialize the groundbreaking of the Veterans Cemetery in Gypsum Canyon by coordinating the installation of a 100' flagpole on the District's public cemetery parcel. This should be the last contract the board needs to approve before the flagpole installation can begin. The General Contractor, Finn Construction and Development, is located in Costa Mesa and has done large flag pole installations throughout the state.

GM Deutsch also explained that at the May 3<sup>rd</sup> Board Meeting, the Trustees approved the contract for Pacific Interior Electric, a sub-contractor to Finn Construction and Development. There were some items that Pacific Interior is ordering that have a long lead time, so their contract had to be approved separately. Pacific Interior Electric's contract amount was \$41,700, but their performance bond is being covered by Finn Construction. The total proposal amount from Finn Construction is \$251,855.43. This includes the electrical work to be performed by



Chair



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Pacific Interior Electric. We will pay the \$41,700 directly to Pacific Interior Electric and Finn Construction and Development will issue a deductive change order for this amount.

GM Deutsch also stated that the County of Orange is finalizing the reimbursement agreement and it should be appearing on an upcoming Board of Supervisors Meeting in June. Upon completion of the installation of the flag pole, the County of Orange will be reimbursing the Orange County Cemetery District for all costs related to the installation of the flag pole.

GM Deutsch stated that the District will award the contract to Finn Construction now, but it will be allocated to the 2022-23 budget. To do this the Board will need to take action.

Counsel Steve Quintanilla stated that when talking about bonds and construction contracts, bonds are basically insurance policies to make sure vendors get paid and the project gets completed.

GM Deutsch also noted that when reading the scope of services for the Finn Construction contract, the amount listed under “flagpole” is not for the purchase of the flagpole itself. The pole has already been purchased. The amount is for the labor to install the flagpole.

Trustee Hatch stated that the saving feature is the promised reimbursement from the County of Orange. Trustee Hatch also asked if the performance Bond Finn Construction is covering is just for Pacific Interior Electric or for the entire contract amount. GM Deutsch confirmed that it was for the entire contract amount.

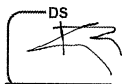
GM Deutsch stated that it is quite a task to get this flag pole installed at this chosen location. The footing has to go down 30 to 40 feet and be 10 feet wide. We can’t use just normal heavy equipment, but rather specialized large equipment to adequately prepare the site and put the pole in place. Prevailing wages, of course, must also be paid. When all is said and done, total costs for the project will be about \$350,000.

Trustee Hatch noted that such a permanent installation will literally help to cement the project and signal the development is actually moving forward. GM Deutsch noted that there is still a lot we have to do before construction can begin. The bonds must be in order and we are still waiting for the actual arrival of the pole itself.

**MOTION** of Trustee Hatch, seconded by Chair Rivers, and carried by a vote of 3-0 with Vice Chair Ward abstaining (Vice Chair Ward unresponsive on roll call vote, Trustee Marroquin-Waldram absent for the vote), approved the proposal to Finn Construction and Development in the amount of \$251,885.43 and authorized the General Manager to execute the requisite construction contract.

**COMMITTEE REPORTS – Finance and Investment Committee Meeting, May 25, 2022**

As Chair of the Finance and Investment Committee, Committee Chair Hatch suggested that since all of the Trustees present at this meeting had also been in attendance at the May 25<sup>th</sup> Committee Meeting, that simply ask before each item if there are any questions. If there are no questions,



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He will move directly to a motion. The Board agreed that this would be the most efficient way to address these agenda items.

**A. Reserve Designations – Fiscal Year 2021-22**

The Board had no questions regarding these reserve designations.

**MOTION** of Trustee Hatch, seconded by Chair Rivers, and carried by a vote of 3-0 with Vice Chair Ward abstaining (Vice Chair Ward unresponsive on roll call vote, Trustee Marroquin-Waldram absent for the vote), adopted Resolution No. 2022-04, designating the amount of \$2,500,000 of Assigned Fund Balance – Cemetery Development as committed funds for the purpose of Cemetery Development, and adopted Resolution No. 2022-05, designating the final balance of Assigned Fund Balance – Cemetery Development, of which the exact amount is to be determined, as committed funds for the purpose of Cemetery Development.

**B. Investment Fund Transfers**

The Board had no questions regarding these transfers.

**MOTION** of Trustee Hatch, seconded by Chair Rivers, and carried by a vote of 3-0 with Vice Chair Ward abstaining (Vice Chair Ward unresponsive on roll call vote, Trustee Marroquin-Waldram absent for the vote), approved the transfer of \$3,500,000 from the General Fund OCIP to the General Fund CalTRUST Medium Term Fund; and approved the transfer of \$1,200,000 from the Pre-Need OCIP to the Pre-Need CalTRUST Medium Term Fund.

**C. 2022-23 District Fee Review and Adoption by Resolution No. 2022-06**

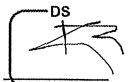
GM Deutsch explained that the District’s Overhead Rate, which was approved earlier in the meeting on the Consent Calendar is used in calculating the District’s Master Fee Schedule. Once the Board approves the new Master Fee Schedule staff will post the rates at each cemetery office and on the website for 30 days. The new rates will become effective on July 7, 2022. Families who call in before July 7<sup>th</sup> to schedule appointments will be allowed to use the old rate sheet.

**MOTION** of Trustee Hatch, seconded by Chair Rivers, and carried by a vote of 4-0 (Trustee Marroquin-Waldram absent for the vote), adopted Orange County Cemetery District Resolution 2022-06, the District Master Fee Schedule for the Orange County Cemetery District, to be effective July 7, 2022.

**D. 2022-23 Fiscal Year Budget**

GM Deutsch said that it was not just he and Brenda who create the budget, but the entire staff that provides feedback to help shape the budget. GM Deutsch said that the final budget will include additional statistical information when the fiscal year end numbers are finalized. Brenda Manriquez also added that this budget does not include the new Master Fee Schedule that was just approved, so revenue projections will be going up accordingly.

**MOTION** of Trustee Hatch, seconded by Chair Rivers, and carried by a vote of 4-0 (Trustee Marroquin-Waldram absent for the vote), adopted Resolution No. 2022-07, A Resolution of the Orange County Cemetery District Board of Trustees

  
Chair

  
Secretary

adopting the Budget for the Fiscal Year 2022-23 and

District Fund Budget Units  
754 General Fund: \$5,715,695  
756 Endowment Income: \$215

Vice Chair Ward left the meeting at 11:00 a.m.

**E. Independent Auditor Proposal Review and Approval of Five-Year Agreement**

Brenda Manriquez explained her process in posting and soliciting bids for our next Independent Auditor engagement. She reached out to eight firms and posted the RFP on two different sites which resulted in two additional inquiries. Out of all those firms the only company that submitted a proposal was Eide Bailly, LLP.

Brenda commented that our audit size is so small that most of the larger firms are not interested in submitting a proposal. With the current staffing shortages occurring in most industries, these firms are dedicating staff to audits that are more lucrative. Since we have worked with Eide Bailly for the last five years, they are recommending that they provide a whole new auditing team and Partner. This will give the District a fresh set of eyes to review our financial statements, policies and procedures. Given that we will have a brand new auditing team, Brenda Manriquez stated that there is no reason not to select Eide Bailly for our new engagement.

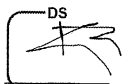
The last proposal for Eide Bailly came in at \$16,000. The proposal for this new engagement will be at a cost of \$25,000. This is a substantial increase because in the past audits they were only anticipating spending about 120 hours to complete each audit. However, in reality our audits take about 200 hours to complete. This is because of the numerous GASB pronouncements which took a lot of time for the auditors to review and implement. Inflation and the need to pay competitive wages to Eide Bailly’s staff is also a factor.

Brenda also noted that this is a three-year engagement with the option to extend out two more years. GM Deutsch said that we have a very good working relationship with this firm and thanks to Brenda Manriquez’s diligent efforts we have never had any issues with our audits. Trustee Hatch stated that Brenda Manriquez is certainly one of the District’s better assets.

**MOTION** of Trustee Hatch, seconded by Chair Rivers, and carried by a vote of 3-0 with Vice Chair Ward abstaining (Vice Chair Ward and Trustee Marroquin-Waldram absent for the vote), approved a five-year agreement with Eide Bailly, LLP to conduct an independent audit of the District for the fiscal years ending June 30, 2022 through June 30, 2026, and authorize the General Manager to execute a Professional Services Agreement for the term of the contract.

**ITEMS FOR FUTURE AGENDAS**

GM Deutsch said that he is working on Trustee Ward’s request for a report about water usage and how the drought may impact the District as well as development of the new public cemetery.



Chair



Secretary

**BOARD COMMENTS**

**A. Memorial Day Program, May 30, 2022 at 10:00 a.m., Santa Ana Cemetery**

GM Deutsch stated that while he attended El Toro Memorial Park’s program, the Cemetery Managers at both Anaheim and Santa Ana said that the programs at both cemeteries went well and had good attendance. Unfortunately, Trustee Marroquin-Waldram was unable to attend Santa Ana’s program.

**B. Memorial Day Program, May 30, 2022 at 11:00 a.m., Anaheim Cemetery**

GM Deutsch stated that Vice Chair Ward had attended the Anaheim Memorial Day Program.

**C. Memorial Day Program, May 30, 2022 at 11:00 a.m., El Toro Memorial Park**

Chair Rivers, Trustee Anderson and Trustee Hatch all attended the El Toro Memorial Park Program. Chair Rivers said it was an excellent program and staff did a great job coordinating the event. Trustee Anderson agreed stating that it was a wonderful program and well put together. He also thanked staff for their efforts. Trustee Hatch said that it was very revealing to hear about the experiences of the Vietnam Veteran and agreed it was an excellent program, although he did not care for the Chorale that performed. GM Deutsch thanked Chair Rivers for reading General Logan’s order at the El Toro program.

**D. CAPC Planning Meeting, June 6, 2022**

Chair Rivers reported that she attended the planning meeting for CAPC. The next event for the association will take place in Lake Tahoe on October 8, 2022.

**ANNOUNCEMENTS**

**A. ISDOC Quarterly Meeting, July 28, 2022 at 11:30 a.m.**

GM Deutsch asked the Trustees to reach out to Mary Funk if they want to attend so she can get them registered.

**B. CSDA Annual Conference, August 22-25, 2022 in Palm Springs**

GM Deutsch said that this event is coming up in August, although staff has not received registration materials yet.

At 11:17 a.m. the Board adjourned to Closed Session.

**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).

The Board reconvened from Closed Session at 11:45 a.m. Counsel Quintanilla stated that no reportable action took place.

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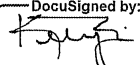
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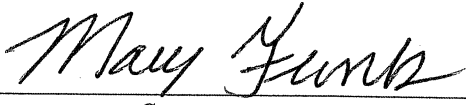
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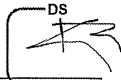
The next regular meeting will be held on **Tuesday, July 5, 2022**, at 10:00 a.m., at the Orange County Cemetery District, 25751 Trabuco Rd., Lake Forest, CA 92630.

GM Deutsch asked for continued prayers and good thoughts for Irrigation Specialist Martin Galvez, who was severely injured in a fall on June 3<sup>rd</sup>.

There being no further business, the meeting was adjourned at 11:46 a.m.

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Chair

  
Secretary

  
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