

ORANGE COUNTY CEMETERY DISTRICT
Board of Trustees
May 5, 2020

MINUTES

The regular monthly meeting of the Orange County Cemetery District Board of Trustees was called to order via teleconference by Chair Hatch 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 William Nelson
Roll Call by Board Secretary, Mary Funk.

PRESENT:	Noel Hatch, Chair	Fifth District
	Maribel Marroquin, Vice Chair	First District
	Kelly Rivers	Second District
	William E. Nelson	Third District
	Cynthia Ward	Fourth 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, April 7, 2020.
- B. Approval of May 2020 Check Registers (Claims) Nos. 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182 and 183.
- C. Acceptance of the Quarterly Investment Report for March 31, 2020.

MOTION: of Trustee Rivers, seconded by Trustee Ward and carried by a roll-call vote of 5-0, approved the Consent Calendar.

MANAGER REPORTS

A. Interments and Interment Space Sales Reports – March 2020

The following interment and interment space sales for March 2020 were reviewed:

			<u>2019-2020</u>	<u>2018-2019</u>
ANAHEIM	Interments	3 (3 Urn)	58 (39 Urn)	54 (25 Urn)
	Lot Sales	2	28	22


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EL TORO	Interments	63 (23 Urn)	539 (195 Urn)	460 (166 Urn)
	Lot Sales	54	608	548
SANTA ANA	Interments	19 (2 Urn)	234 (57 Urn)	279 (44 Urn)
	Lot Sales	9	124	208
TOTAL	Interments	85 (28 Urn)	831 (291 Urn)	793 (235 Urn)
	Lot Sales	65	760	778

GM Deutsch stated that since the COVID-19 pandemic was in its early stages in March, the cemetery did not have any COVID-19 related interments. The restrictions now in place regarding suspension of pre-need sales and postponement of cremation services only slightly impacted March's monthly activity. We will see a larger impact at the next board meeting when April's activity is reported.

Anaheim is currently on track when compared with the previous year.

El Toro Memorial Park, which receives the bulk of the calls is still projected to be higher than 2019. GM Deutsch reported that approximately 13% of the niches have sold in the Maureen Rivers Memorial Niche Garden. GM Deutsch is working with staff to develop a master plan for niche installations so the District can adequately stay ahead of demand.

Santa Ana Cemetery only had nine space sales in March, which of course is much lower when compared to the 25 sales reported last year at this time. During down time, Cemetery Manager Julio Amarillas is working on confirming available spaces, so we may be seeing some adjustments in the space availability report in the coming months.

Overall, the District is down 2.3% on space sales when compared to the previous year and the District is ahead 4.8% on interment services when compared to 2019.

Trustee Ward asked if we are keeping track of families who are postponing cremation interments or those who are wanting to make pre-need purchases. GM Deutsch said that we are taking basic information and placing them in a pending list to call back when the restrictions have lifted. GM Deutsch also noted that for those families proceeding with casket placements, since we cannot provide full graveside services, they are only being charged the price for a witness only interment service. Families who have pre-paid for a full graveside service are being refunded the difference between a full graveside service opening and closing and a witness only opening and closing.

Chair Hatch asked for some additional clarification on the 13% sale of niche space. GM Deutsch said that the last time we opened a new niche feature at El Toro around 2012 it sold out in seven years. As the cremation percentage is rising, it is quite possible that the Maureen Rivers Memorial Niche Garden will also sell out within six years. Cemetery Manager Bud Bales and Leadworker Juan Lopez-Bautista have identified several areas in the park where additional niches could be built as well as adding more niches to existing niche features.


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B. Financial Reports – March 2020

Brenda Manriquez reported that the effects of COVID-19 will not be realized until April and moving forward. Interest revenue is trending slightly down beginning in March and continuing in to April due to lower returns in the Orange County Investment Pool and CalTRUST. Salary expenses for March are steady, but may go down slightly due to a decrease in overtime with the cemeteries now closed on the weekends. Services and Supplies are trending normally, but the 1100 Account for Insurance has gone up slightly due to GM Deutsch updating the District’s equipment listing for general liability coverage. For fixed assets, the new van is not included yet. Since it is a customized van, delivery has been delayed due to a manufacturing lag related to COVID-19. Brenda Manriquez also reported that the District has received a couple of invoices for work on the new cemetery site.

The Balance Sheet is normal, but pointed out that the cash account for the General Fund is intentionally quite high at \$338,000. Claims processing at the County has been slowed due to COVID-19 and the transition to many staff telecommuting. The District is paying anything time sensitive via the Wells Fargo account rather than sending it through County claims processing. The District currently has \$10.3 million committed for cemetery development.

A rough snapshot of April revenues shows the District down by approximately \$100,000, but the District should recoup much of that when the offices open again for pre-need sales and cremation interments.

Brenda Manriquez also explained that the District has received \$725,000 in property tax in April which brings the District to about 95% of the total amount expected for this fiscal year. Chair Hatch asked if staff had heard anything from the County about possible delays in property tax payment. GM Deutsch and Brenda Manriquez both stated that they had not heard anything yet, but should find out in the next couple of weeks if there are any changes coming. As just stated, almost all of the property tax expected for this fiscal year, has already been received. It is unknown how the County will handle tax collection for next year.

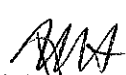
GM Deutsch also noted that the District just received word it has received the GFOA Distinguished Budget Presentation Award for the second year in a row. GM Deutsch commended Brenda Manriquez for all her efforts on the budget. He also stated that GFOA gives excellent constructive criticism to make our budget even better. Staff has not received any notifications yet for the CAFR.

C. Interest Rates – March 2020

GM Deutsch explained that we are seeing some slight increases in the Pre-Need Fund. The District is also exploring municipal bonds being offered in other states. Overall most accounts are hovering right around 2%. The OCIP and CalTRUST are very close, so we have not moved any more money out of the OCIP. Trustee Ward asked if the District is exploring options outside of the State of California. GM Deutsch explained that taxes in California, make other States’ bonds more competitive. We can get a better return with some of the out of state bonds that are becoming available.

D. Investment Portfolio Changes – April 2020

GM Deutsch noted that there was activity in both the Endowment Principal Fund and



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Endowment Income Fund with some investments maturing and some being called early. Our advisors try to balance the District's portfolio while staying within allowable percentages. GM Deutsch reported that Corporate Bonds and CDs are not as advantageous right now. Municipal Bonds are a better option currently. Chair Hatch noted that Stifel is below 2% and asked if this is a sign of things to come. GM Deutsch answered that a lot of it depends on timing and what options are available for purchase at the time investments mature.

E. Capital Projects Update

New Cemetery Development

GM Deutsch noted that if the Board is still teleconferencing for the June Board Meeting he would like to host it as a Zoom meeting as he would like the New Cemetery Development Team to present an update at the next meeting. GM Deutsch stated that he had a meeting with RJM Design and GMU who have been reviewing the soil conditions at the site. The results of their analysis are very positive and the site does not appear to be as challenging as first thought. The District may be able to increase the net yield of developable acreage. GM Deutsch said as the team develops the June update, he will keep the Board informed by sending them information in advance so Trustees can be thoroughly prepared to receive the presentation. GM Deutsch said that because the report is so positive, the team would like to reach out to the City of Anaheim and take the first step by submitting the Conceptual Development Review Application. Greg Garcia is now the Acting City Manager and the District has a good relationship with David Belmer in the City's Planning and Development Department. They have already identified several issues they would like to see us address as a part of this application.

In the meantime, the City of Irvine looks like it will have two separate initiatives on the November ballot regarding the establishment of a State Veterans Cemetery in Irvine. So there should be some clearer direction after that vote. GM Deutsch stated that regardless of what decisions Irvine makes, the District should move forward with our plans for a new public cemetery. El Toro Memorial Park only has about eight years of inventory left, so it is important to move forward. GM Deutsch noted that the Deputy Fire Marshall will be a part of the review process with the City of Anaheim. GM Deutsch also stated that it is important to include OC Parks in the planning process to ensure their continued access to the Irvine Conservancy gate.

Chair Hatch asked GM Deutsch if he had any concerns regarding Anaheim. GM Deutsch expressed concern about the support of the Council majority. The review process involves City staff and not the Council. Chair Hatch noted that public support is important. GM Deutsch agreed, particularly from the citizens of Anaheim and Yorba Linda.

Santa Ana Cemetery Upgrades

GM Deutsch informed the Board that the contract agreement process is complete. The District has received all insurance. A pre-construction meeting was held and a Notice to Proceed was given on April 29th. Work commenced on April 30th. In the first phase all the asphalt has been removed and forms are being installed for the concrete curbs. GM Deutsch noted that some concrete swales will need to be replaced. This should not be too costly and can be covered with contingency funds. In addition, Irrigation Specialist Martin Galvez has been on site regularly checking on the sprinklers as the contractor's staff broke one sprinkler. GM Deutsch noted that the contractor also provided them with a COVID-19 plan and their workers are wearing masks


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and doing their best to practice social distancing. GM Deutsch said he would keep the Board informed as the different phases are completed.

UNFINISHED BUSINESS

A. COVID-19 Update

GM Deutsch stated that if any significant changes occur in cemetery operations, he will notify the Board. Staff is grateful for the steady employment and have made necessary adjustments to continue operations while staying as safe as possible during the pandemic. So far no staff have reported any illnesses or needed to take time off as a result of COVID-19. Office staff are taking turns working from home and using the time to correct computer records and attach various documents such as Certificates of Interment Rights and permits to individual accounts.

Cemetery Assistant Kim Eazell has used the time to make over 100 washable cloth masks for District Staff and their family members. The District is also providing additional PPE to staff including disposable masks, latex gloves and hand sanitizer.

Staff has also been attending various webinars and trainings that are now available online. City briefings from Public Information Officers are steadily decreasing. GM Deutsch said he has learned quite a bit about the strategies and procedures other agencies are utilizing to navigate the pandemic and it has been very helpful in keeping our staff and the public as safe as possible. He explained that some families still come in for appointments and have no face coverings so we are offering free disposable masks to those families and they are quite appreciative of our efforts.

GM Deutsch also stated that our revenue concerns pale in comparison to those cities and agencies who are relying on sales tax as a primary revenue source.

During the first week of cemetery closures, office staff answered an abundance of calls about the operating hours, but almost all of the callers understood the reasoning. There were just a handful who were notably angry. The Orange County Register also provided good coverage on cemetery closures and approached the closures in a very positive light and gave good education as to why these closures were helpful in slowing the spread of the virus. GM Deutsch said that he was disappointed to learn that, at the last minute, Fairhaven Memorial Park decided to open the grounds for visitation. The reversal was not to pacify upset visitors, but rather done so their sales staff could still conduct pre-need transactions. With Fairhaven open on Saturday, some families did park in Fairhaven and walk in to Santa Ana Cemetery. Security approached those visitors and informed them the grounds were closed.

GM Deutsch complimented the groundskeeping staff who are doing a wonderful job maintaining the grounds which all look beautiful right now. Staff has also been able to complete a number of maintenance projects such as tree trimming and cleaning and reorganizing maintenance buildings.

GM Deutsch reported that most families are respecting the 9 person limit on gatherings and are also understanding about the lack of canopies and chairs for graveside services. Staff has only had a couple of instances where too many people have gathered together. While the District conducted no interments in March that were related to the virus, the District has confirmed that four COVID-19 deaths were handled in April. There may have been more, but sometimes we do


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not know the cause of death. Each service is handled as though the threat of the virus is present, with staff wearing masks, gloves and maintaining distance from cemetery visitors. Furthermore, pallbearing services are conducted either entirely by the family or entirely by staff. Since the families are limited to nine people in attendance, typically our staff is now transporting the casket from the coach to the gravesite with the use of a lawn cart. The District has a good supply of personal protective equipment, which should last for the next four to six months.

GM Deutsch thanked the Board for allowing the continued operation of the cemeteries and the employment of staff. Trustee Ward and Trustee Marroquin asked GM Deutsch to pass on their thanks to Kim Eazell for making the masks for staff.

Chair Hatch asked if COVID-19 disappeared tomorrow, what would the transition look like to restore normal operations. GM Deutsch said it would be a very easy transition once we get word from the Cities and County that the restrictions have lifted. GM Deutsch said that he does anticipate continuing to use some of the strategies we have adopted in to the future and it should not adversely impact customer service.

He also noted that the County has followed the Family First Coronavirus Repsonse Act, by establishing 80 hours of emergency sick leave. So far, no one has needed to use this resource.

NEW BUSINESS - None

ITEMS FOR FUTURE AGENDAS

Trustee Marroquin asked why this meeting was not a Zoom meeting. GM Deutsch said with the limited agenda and lack of action items, a Zoom meeting was not necessary. He does intend to use Zoom if the Board is still meeting remotely for the June Meeting.

BOARD COMMENTS - None

ANNOUNCEMENTS

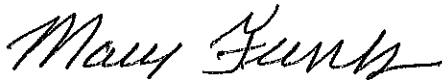
Chair Hatch asked Counsel Quintanilla if all was well. Counsel Quintanilla stated that he was in Moreno Valley and the city was starting a phased opening. He also said that some cities are adopting fiscal emergencies. He said the Unions were agreeing to a temporary 15% pay cut and we would probably see similar reports coming out. He also briefly discussed the impacts of the courts being closed.

The next regular meeting will be held on **Tuesday, June 2, 2020**, at 10:00 a.m., at the Orange County Cemetery District, 25751 Trabuco Rd., Lake Forest, CA 92630.

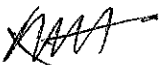
There being no further business, the meeting was adjourned at 11:30 a.m.



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