

ORANGE COUNTY CEMETERY DISTRICT

Board of Trustees

February 5, 2019

MINUTES

The regular monthly meeting of the Orange County Cemetery District Board of Trustees was called to order by Chair Cynthia Ward at 10:01 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 Marroquin.
Roll Call by Board Secretary, Mary Funk.

<u>PRESENT:</u>	Cynthia Ward, Chair	Fourth District
	Noel Hatch, Vice Chair	Fifth District
	Maribel Marroquin	First District
	Kelly Rivers	Second District
	William E. Nelson	Third District (via teleconference)

<u>STAFF:</u>	Tim Deutsch, General Manager
	Dianna Torrence, Administrative Manager
	Brenda Manriquez, Staff Accountant
	Mary Funk, Board Secretary

GM Deutsch stated that Trustee William Nelson would be participating via teleconference from the Hyatt Regency San Francisco Airport at 1333 Old Bayshore Highway, Burlingame, CA 94010.

PUBLIC COMMENTS

Mr. Bill Cook, Chairman of the Orange County Veterans Memorial Park Foundation; Mr. Ron Bengochea; and Mr. Nick Berardino, President of Veterans Alliance of Orange County and President of Heroes Hall Veterans Foundation came to speak to the Board during the Public Comment period.

Mr. Bill Cook began by stating that all three of them are Vietnam Veterans and ever since the El Toro base closed, he felt it would be the ideal place for an Orange County Veterans Cemetery. When the redevelopment funds were pulled from the Great Park project, the quest began make that dream a reality. Mr. Cook reported that working with the City of Irvine has been a heartbreaking process and the idea of a veterans cemetery has become a political fight within the city. He wanted to come to our meeting today to express his deepest thanks to the Board and GM Deutsch for our support of a veterans cemetery to be located adjacent to the new public cemetery on the land just conveyed to the Orange County Cemetery District by the County of Orange Board of Supervisors. He stated that the veterans are extremely encouraged by our actions and they look forward to working with us in the establishment of the veterans cemetery.

Mr. Ron Bengochea spoke next stating that he is a native of Orange County and a U.S. Army Veteran. He will one day be interred in a veterans cemetery and would love that to be in Orange


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County. He stated that he saw GM Deutsch at the Board of Supervisors meeting when then land conveyance was approved and he was so impressed with GM Deutsch's professionalism and support of the veterans. He too wanted to come today just to express his gratitude and sincerest thanks for our District's support.

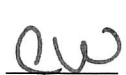
Mr. Nick Berardino was the last to speak and said that in the many years he has been in politics he has never experienced anything like how the public at the Irvine City Council meeting treated the veterans. He said they booed and hissed at the veterans and the vitriol was only comparable to the reception veterans received when returning home from Vietnam. Mr. Berardino said that he is very aware of the reality. The veterans cemetery has become a political football in Irvine, with veterans caught in the middle. He thanked the Board and Mr. Deutsch for doing such a fantastic job speaking before the County of Orange Board of Supervisors and commented on how warmly they had been received at the Anaheim City Council meeting. He is very much looking forward to working with the District and encouraged the Board to continue their support of veterans in this process.

Trustee Hatch replied that he has a request of the veterans as well. He understood that they all want to be buried in a veterans cemetery in Orange County, but requested that they please stay alive at least another ten years so they can see the realization of this effort. Chair Ward agreed saying that for all these years the Veterans have had our backs, now it is time for us to have their backs. GM Deutsch also commented saying that if it weren't for the veterans' efforts, the District would very likely not have been considered as a recipient of the land in Gypsum Canyon. Developing side-by-side cemeteries for both veterans and the public will provide a unique opportunity for Orange County Residents that does not exist anywhere else. They replied that they expect it to be one of the busiest veterans cemeteries in the nation. Trustee Marroquin also thanked the veterans for their service. After photos were taken with Chair Ward and GM Deutsch the gentlemen left the meeting.

AWARDS AND COMMENDATIONS

GM Deutsch presented staff accountant, Brenda Manriquez with a plaque honoring her five years of service. Brenda started with the District in March 2013 and has been a tremendous asset for the District in preparing financial statements and assisting with the annual budgets and audits.

GM Deutsch also explained that each year the District hosts a luncheon for the Cemetery Managers, Leadworkers and Groundskeepers to honor those who are reaching milestones in years of service and to also inform them as to the state of the District. At this year's event, four staff members were recognized. Andrew Trejo, the Leadworker at Anaheim Cemetery has been with the District for ten years. Juan Lopez, the Leadworker at El Toro Memorial Park has been with the District for 15 years. Julio Amarillas, the Cemetery Manager at Santa Ana Cemetery has been with the District for 20 years. Finally, Groundskeeper Rigoberto Ramirez has been with the District for 30 years. Mr. Ramirez has worked at all three District cemeteries during his career. Prior to coming to the District he worked as a groundskeeper at Fairhaven for ten years, so in all he has a 40 year career in the cemetery business. The Board expressed a desire to be informed of next year's meeting so those Trustees who are available can attend and express their appreciation for all the hard work by staff. Chair Ward commented how good it is to have such long-term employees. GM Deutsch commented that there are a couple other employees who are close to reaching their 35-year milestones. Vice Chair Hatch asked if that represented any safety


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concerns. GM Deutsch explained that one of the older employees is on modified duty due to physical limitations, but they are able to accommodate the employee’s needs without any difficulty.

CONSENT CALENDAR

- A. Approval of Minutes – Regular Board Meeting, January 8, 2019.
- B. Approval of February 2019 Check Registers (Claims) Nos. 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, and 131.
- C. Acceptance of the District Quarterly Investment Report and Certification for December 31, 2018, 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 – December 2018


The following interment and interment space sales for December 2018 were reviewed:

			<u>2018-2019</u>	<u>2017-2018</u>
ANAHEIM	Interments	5 (3 Urn)	33 (19 Urn)	35 (22 Urn)
	Lot Sales	2	15	16
EL TORO	Interments	56 (23 Urn)	302 (116 Urn)	300 (103 Urn)
	Lot Sales	52	351	335
SANTA ANA	Interments	28 (2 Urn)	174 (25 Urn)	165 (23 Urn)
	Lot Sales	18	130	145
TOTAL	Interments	89 (28 Urn)	509 (160 Urn)	500 (148 Urn)
	Lot Sales	72	496	496

GM Deutsch reported that December’s activity has the District tracking about where we were for the same period last year. As expected, space sales at Santa Ana Cemetery are slightly down when compared to the previous year, but not as low as what the District had anticipated given the limited inventory. Interment services are ahead of last year’s pace. There are 370 available casket spaces at Santa Ana, which at the current rate, should last another 18 months. Due to parking concerns, it is unlikely that we would consider closing any additional roads at Santa Ana, and trying to reclaim old, unused spaces is problematic. GM Deutsch recommended that our focus should now be on developing the fourth cemetery.

Anaheim Cemetery is also on track when compared to the activity in the previous year. Chair Ward asked how Anaheim Cemetery was able to sell a casket space pre-need when we were thought to be sold out. Board Secretary Mary Funk explained that occasionally spaces are found to be available due to inaccuracies in the historical records being translated through three different database programs.


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El Toro Memorial Park had another busy month. In December there were 52 space sales which is 16 more sales year-to-date than the previous year. Fifty-two percent of those sales are pre-need. El Toro conducted 56 interment services which keeps them on track for interments when compared to the previous year.

Overall, the District is exactly even in sales when compared to the previous year, with 88% of those sales being for casket space. The District is slightly ahead on interments with 509 for this fiscal year compared to 500 for the same period in the prior fiscal year.

Financial Reports – December 2018

Brenda Manriquez reported that, once again, everything looks really good. The District received an additional \$170,000 in property tax in January of which \$100,000 is redevelopment property tax and \$70,000 is secured/unsecured. She anticipates receiving another large payment in April or May. Interest is far and above where we had budgeted due to good returns. The OCIP net year-to-date is 1.77% and CalTRUST is at 2.01%. The OCIP is closing the gap on CalTRUST. Monthly, the General Fund is earning about \$20,000 a month in interest. The four funds combined have earned approximately \$350,000 for the year which is \$77,000 more than the same time last year.

For expenses, Brenda Manriquez noted that since Trustee reimbursements are now being paid through Wells Fargo they will be manually posting the reimbursement costs to Account 2700. All of the equipment for the Fiscal Year has now been received. The last two pieces will appear in the January financial report.

For the Balance Sheet, Brenda Manriquez stated that at the Finance and Investment Committee Meeting on Feb. 19th they will be discussing cash in the Pre-Need Fund and General Fund and consider possible transfers.

December 2018 Interest Rates

GM Deutsch reported that interest rates continue to increase, particularly for the OCIP and CalTRUST, which have both increased almost a full percent since December 2017.

January Investment Portfolio Changes

GM Deutsch reported that during the month of January only one corporate bond matured. Two new investments were purchased from those proceeds along with interest that had accumulated.

Capital Projects Update

GM Deutsch reported that work is progressing at Santa Ana Cemetery. The sewer line from the office to the tank has been connected. The tank has been sealed, backfilled and compacted. Although, it passed the inspection, with the rains it may need to be recompact. Concrete curbs have been poured. Door frames have now arrived so work inside can proceed. At El Toro Memorial Park the skylights for the new restroom have arrived and are now installed. The Doors and windows have arrived. There will be a change order for the new niche vendor and some design changes that were required by the City of Lake Forest. Currently about half of the niches have been manufactured and are curing. We are expecting to receive them in a couple of weeks. There was a delay with the rebar inspection, with additional rebar required at joints connecting


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walls with pilasters. On a more positive note, the city has waived its requirement that the parking stall additions be done with permeable pavers. This would have looked out of place as the rest of the parking surrounding it is asphalt. This will save the District approximately \$30,000 to \$40,000. Permeable pavers will still be used in the niche feature.

The Strategic Plan Dashboard

GM Deutsch stated that the District has submitted its changes on the land transfer document to the County of Orange and are waiting for them to finalize it. GM Deutsch confirmed that the ten year time allotment given by the County to develop the property will not begin until the District has title to the land. GM Deutsch has spoken with John Gannaway with Orange County Parks. There was some concern from the Orange County Fire Authority and the City of Anaheim about maintaining access for training and other purposes. GM Deutsch assured Mr. Gannaway that the District is in full support of maintaining access to the site for these purposes. GM Deutsch will be working on scheduling a meeting with all interested parties to ensure the best use of the property is utilized for the benefit of all County residents. He also met with Nick Berardino to begin a conversation about how the veterans want to proceed, assuring them that part of the developable land will be set aside for the establishment of a veterans cemetery. During the discussion, GM Deutsch explained that the District will assist the veterans in every way possible, but it does not have the responsibility to fund the development of the veterans cemetery. Chair Ward asked if there was any way the County could reverse its decision to provide us with the land. GM Deutsch said the Board of Supervisors would have to place it on the agenda and take action to reverse it. He does not see that happening as everyone in the County is very much in support of the project.

In other areas of the Strategic Barometer, GM Deutsch noted that the third quarter family survey results were back, with all respondents stating they would recommend the District. Of the 237 surveys that were sent out, 53 families replied for a 22% return rate.

Unaudited figures from staff report that revenues exceeded expenditures by \$586,331 due in a large part to the property taxes that have been recently received.

GM Deutsch stated he was just informed by staff that they will remain with SEIU Local 721 and will not be switching union representation at this time. That means labor negotiations can begin soon.

Four Trustees will be attending the CAPC Annual Conference in Monterey in March. This almost completely satisfies the District’s goal of having each Trustee attend or complete at least one CAPC or CSDA webinar, class or conference annually. Vice Chair Hatch noted the topics of “Avoiding Employee Lawsuits”, “Work Place Violence” and “Governing the Unruly” and asked if our District needs to be concerned about any of these topics. GM Deutsch said it is always good to be prepared.

Special District Risk Management Authority, Board of Directors

GM Deutsch stated that three Board seats are up for election for the Special District Risk Management Authority. He noted that currently Tim Unruh of the Kern County Cemetery District and Mike Scheafer of the Costa Mesa Sanitary District sit on the Board, so Orange


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County representation and cemetery district representation is good. No Trustees expressed interest in being nominated for a Board seat with SDRMA.

Finance & Accounting Manager Position Update (Oral Report)

GM Deutsch reported that the District has received five applications for the position of Finance & Accounting Manager, including an application from the District's current accountant, Brenda Manriquez. GM Deutsch is hoping to conduct interviews during the 13th to the 15th of February. Two of the candidates live out of state. Ideally the new position will be filled by March 1st so there will be some crossover training time while Dianna Torrence is still here. Dianna's last day will be Thursday, March 14th. Chair Ward asked that if Brenda is selected for the position, will we need to backfill her current position. GM Deutsch said that we would want to hire a part-time accounting clerk who would come in a couple times a week.

UNFINISHED BUSINESS - None

NEW BUSINESS

Approval of Agreement for Special Services – Liebert Cassidy Whitmore

GM Deutsch explained that during the last two MOU negotiations the District has brought in Oliver Yee with Liebert Cassidy Whitmore (LCW) to work with the GM on bargaining with the labor union. Since staff is staying with SEIU, negotiations can begin right away. GM Deutsch stated that he has authorization for up to \$25,000 but expects ratification will not occur until after the start of the next fiscal year. Therefore, if the Board is in support of using Oliver Yee for upcoming negotiations, they need to authorize the General Manager to execute the agreement for special services by Liebert Cassidy Whitmore. Vice Chair Hatch asked if the District will be charged Oliver's full rate for driving time. He explained that the Orange County Fire Authority used LCW and the mileage got to be quite expensive. GM Deutsch said he would follow-up on that and noted that Counsel Quintanilla does not charge at all for driving time. Chair Ward stated that she thinks Oliver is an investment, but it is worth it. GM Deutsch also explained that Counsel Quintanilla's office does not do labor negotiations and Steve referred the District to Oliver Yee.

Trustee Nelson asked why SEIU was requesting the District to provide them with basic information that they should really already know. GM Deutsch agreed that the Union should already have this information. However, it only took a small amount of staff time to furnish it, and by doing so, the District knows that SEIU has the correct and current information.

MOTION of Trustee Nelson, seconded by Trustee Rivers and carried by a vote of 5-0, authorized the General Manager to execute the agreement for special services by Liebert Cassidy Whitmore.

Communications & Public Relations Committee Change

GM Deutsch explained that Chair Ward and Trustee Rivers have requested that the Communications & Public Relations Committee be changed from a two-member committee to a committee of the whole so that Trustee Marroquin can be an active participant of the committee. By doing so a quorum of at least three members would be necessary for the committee to meet and conduct business. Vice Chair Hatch recommended clarifying the language of the Board of


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Trustees – Committee Overview & Duties policy. For item #3, Vice Chair Hatch recommends that the third sentence should be changed to read, “In order for the Committee of the Whole to meet and make recommendations to the Board, at least three members must attend.”

MOTION of Vice Chair Hatch, seconded by Trustee Marroquin and carried by a vote of 5-0, approved changing the Communications & Public Relations Committee from a two-member committee to a committee of the whole.

The next Communications and Public Relations Committee Meeting will be held on February 20th at 11:00 a.m. Chair Ward said she would like to discuss social media and the problem concerning closing time at El Toro Memorial Park. Chair Ward commented that the District needs to find a way to communicate to visitors that the grounds close at 5 p.m. and visitors should be leaving in a timely manner.

ITEMS FOR FUTURE AGENDAS

GM Deutsch summarized that he will be placing a presentation on OPEB and the 115 Trust on a future agenda, but held off this meeting because Trustee Nelson was not able to physically attend.

Chair Ward asked about developing the next strategic plan and also suggested that we have something specific to the development of the new cemetery. GM Deutsch said he would investigate if we should use Jim McCombs again or bid it out to a different consultant. Trustee Nelson was very pleased with Jim McComb’s work and recommended that we use him again. The Board all agreed that we should create a ten-year plan for the development of the new cemetery.

Chair Ward also asked for confirmation about the timing for GM Deutsch’s evaluation. GM Deutsch replied that all evaluations are now done in June.

BOARD COMMENTS

CSDA Board Meeting, Sacramento, Jan. 18, 2019

Trustee Nelson stated that the Board met in closed session to discuss the CEO’s evaluation and goals, which resulted in a good merit increase. They also did the annual Board orientation which outlined responsibilities and expectations for new board members as well as instruction on reimbursements. In reviewing the financial statements, CSDA has collected 85% of dues and had \$507,000 net income which greatly exceeds expenses.

ISDOC Quarterly Meeting, Fountain Valley, Jan. 31, 2019

Trustee Rivers, Trustee Nelson, Trustee Marroquin and GM Deutsch all attended. Trustee Nelson reported that the Orange County Cemetery District was the featured Special District and GM Deutsch gave an excellent PowerPoint presentation. He is planning to use that presentation for the new Supervisor for the Third District. Chair ward commented that she had reached out to her new Supervisor as well. Both Trustee Rivers and Trustee Marroquin reported that they were also very pleased with the program.


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CSDA Member Services Committee Meeting, Sacramento, Feb. 1, 2019

Trustee Nelson stated the committee reviewed recruitment and retention. With 1,044 regular members, 91% have renewed their membership and 9% are still outstanding.

ISDOC Executive Committee Meeting, Fountain Valley, Feb. 5, 2019

Trustee Nelson stated that he could not attend the meeting this morning because he is in San Francisco.

ANNOUNCEMENTS

The Finance and Investment Committee will meet on Feb. 19th at 11:30 a.m. at the District Office. Trustee Nelson and Vice Chair Hatch will attend.

The Communications and Public Relations Committee will meet on Feb. 20th at the District Office. Chair Ward, Trustee Rivers and Trustee Marroquin will attend.

The ISDOC Executive Committee Meeting will be held in Fountain Valley on March. 5, 2019. Trustee Nelson will attend.

The CAPC Annual Conference will be held in Monterey Bay on March 7-9, 2019. Chair Ward, Vice Chair Hatch, Trustee Rivers and Trustee Marroquin will attend.

The next regular meeting will be held on **Tuesday, March 5, 2019**, at 10:00 a.m., at the Orange County Cemetery District, 25751 Trabuco Rd., Lake Forest, CA 92630.

At this time GM Deutsch requested that the Board adjourn to Closed Session.

CLOSED SESSION

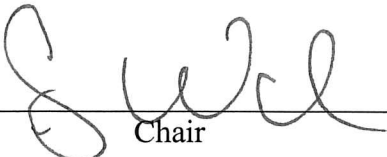
Conference With General Legal Counsel Regarding Significant Exposure to Litigation
Government Code Section 54956.9 (d): (One potential case)

Facts & Circumstances: General Legal Counsel advises that the facts and circumstances that might result in litigation against the District are not yet known to a potential plaintiff or plaintiffs.

The Board adjourned to closed session at 11:36 a.m.

The Board reconvened from closed session at 11:43 a.m. GM Deutsch stated that no reportable action took place in closed session.

There being no further business, the meeting was adjourned at 11:43 a.m.



Chair



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