

ORANGE COUNTY CEMETERY DISTRICT
Board of Trustees
June 2, 2020

MINUTES

The regular monthly meeting of the Orange County Cemetery District Board of Trustees was called to order via videoconference 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 Chair Hatch.
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 (Joined at 10:30 a.m.)

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

ALSO PRESENT: Steve Quintanilla, General Counsel
Larry Ryan, RJM Design Group
Tamara McClory, RJM Design Group
Pat Fuscoe, Fuscoe Engineering

PUBLIC COMMENTS - None

CONSENT CALENDAR

- A. Approval of Minutes – Regular Board Meeting, May 5, 2020.
- B. Approval of June 2020 Check Registers (Claims) Nos. 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199 and 200.

MOTION: of Trustee Nelson, seconded by Trustee Rivers and carried by a roll-call vote of 4-0 (Trustee Ward absent for the vote), approved the Consent Calendar.

MANAGER REPORTS

A. Interments and Interment Space Sales Reports – April 2020

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

			<u>2019-2020</u>	<u>2018-2019</u>
ANAHEIM	Interments	4 (2 Urn)	62 (41 Urn)	63 (30 Urn)
	Lot Sales	2	30	23


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EL TORO	Interments	40 (1 Urn)	579 (196 Urn)	517 (192 Urn)
	Lot Sales	21	629	612
SANTA ANA	Interments	19 (1 Urn)	253 (58 Urn)	315 (51 Urn)
	Lot Sales	15	139	230
TOTAL	Interments	63 (4 Urn)	894 (295 Urn)	895 (273 Urn)
	Lot Sales	38	798	865

GM Deutsch stated that, as anticipated, the April monthly activity report shows a drop for all three cemeteries. While the numbers are lower when compared to the same period last year, the District also anticipated a decline in space sales due to the dwindling inventory. Anaheim Cemetery sales are actually ahead of last year’s pace and they have not had any interment services for COVID-19 cases. The most significant drop in activity is at El Toro Memorial Park with only 21 casket space sales, due to the suspension of cremation services and all pre-need purchases. El Toro has conducted three services for COVID-19 cases. Santa Ana Cemetery’s numbers are also down with only 15 space sales and 19 interments for April. Santa Ana handled one COVID-19 interment. Overall, while the District space sales are down compared to 2019, we are still ahead of what was budgeted for the current fiscal year. The overall year-to-date cremation rate is at 33%.

B. Financial Reports – April 2020

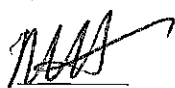
Brenda Manriquez reported that there were no unexpected changes in the financial reports and business is continuing as usual. The first large payment to Ben’s Asphalt will be coming in on the May reports and there is nothing out of the ordinary for Year-to-Date Actual vs. the Budget.


On the Balance Sheet there is approximately \$3.9 million in unassigned and by the end of May the figure will increase to about \$4 million. The May numbers just came out, and the District received a little more in Secured Property Taxes and have now collected about 98% of what was budgeted. The District also received about \$68,000 in Redevelopment Taxes. Chair Hatch asked if staff thinks the COVID pandemic would impact property tax collection. Brenda Manriquez said that it is really unknown how the virus may effect property taxes, but for the upcoming budget they are approaching these revenues very conservatively. Typically staff estimates a 4% to 5% increase in these revenues, but will not make that assumption for the upcoming budget.

Overall, while the District is below where we projected to be, there will definitely be excess revenues over expenses.

C. Investment Portfolio Changes – May 2020

GM Deutsch stated that it has been a busy month for investments, but are very fortunate that Stifel recommended Simon Property Group Corporate Bond, as it has been really difficult to find investments with yields above 1%. Chair Hatch asked what Simon Property was. GM Deutsch said that they manage malls and large properties. Chair Hatch asked, with rates so low right now, if it would be a good time to secure funding for the new cemetery. GM Deutsch said that this is something he wants to discuss with the Finance and Investment Committee which will be


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meeting in June. Some funding requires spending to occur within a set time frame and the District is probably not ready for that quite yet.

D. Capital Projects Update

GM Deutsch showed a color-coded map of the streets at Santa Ana Cemetery for the phased paving project that is now underway. Phase One is complete and Phase two is expected to be completed by June 19th. The current phase excludes movement to and from Fairhaven Cemetery. Signage has been put out to advise visitors that they cannot access Fairhaven Cemetery right now from Santa Ana Cemetery and vice versa.

GM Deutsch reported that Ben's Asphalt has been very efficient with the project and it is moving along quickly. The new swing gates have also been installed to provide the needed separation between Santa Ana Cemetery and Fairhaven Cemetery. One gate post, however, has been temporarily removed as part of the asphalt project and will be reinstalled. District staff is also assisting with backfilling along the new cement curbs to prevent tripping hazards.

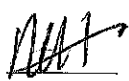
Chair Hatch asked when the project would be completed. GM Deutsch said it should be wrapping up in late July. He also stated that the District would like to issue a separate contract for paving and concrete curbs at El Toro Memorial Park which will probably take two to three months to complete and be conducted in two phases.

UNFINISHED BUSINESS

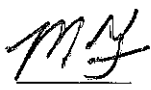
A. COVID-19 Update

GM Deutsch reported that, for the most part, customers have been understanding about the recent closures and ongoing limitations for interment services and pre-need transactions. Families are very appreciative that they can now visit seven days a week. Now that the cemeteries are open again on the weekends, we have added additional security at El Toro Memorial Park to make sure people are following the social distancing guidelines. GM Deutsch said that he did get clarification on the most recent health order from the County of Orange. For outdoor services, cemeteries may have 99 people or less gathered at the graveside and they should be following social distance protocols and wear face masks. Most families have been complying to the current request that only nine people attend, but we have been lenient if they are maintaining social distance. In discussions with the Cemetery Managers regarding the new expanded order for outdoor gatherings, the District will now allow no more than 50 people to attend a graveside. If it is a COVID case, no more than 25 people may attend. For COVID cases we are requesting that families remain in their vehicles until staff have moved away from the gravesite. The District is still refraining from providing a canopy and chairs as this discourages proper social distancing. Families are paying a reduced fee since a full graveside set up is not being provided.

The offices at all three cemeteries remain closed, however we are making preparations for reopening. We have obtained thermometers so we can check temperatures. We have disinfectant wipes, and we have paper masks that we can distribute to visitors who may not have a mask. Chair Hatch asked if staff have been tested for the virus. GM Deutsch said that staff have been instructed to stay home if they are not feeling well and if symptoms persist to seek medical advice.



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Counsel Quintanilla added that many Districts have expressed concerns about reopening. Districts can always adopt stricter guidelines than the County and State, they just cannot adopt looser guidelines than the County and State.

Trustee Marroquin asked if staff are required to wear masks. GM Deutsch said that as long as they are at their own work stations they do not have to wear a mask. But they do wear masks if they go into common areas like the kitchen or if they approach other co-workers' work spaces. They also are required to wear masks anytime they go to the door to assist the public.

Trustee Ward joined the meeting at 10:30 a.m.

NEW BUSINESS

A. New Cemetery Development Update

GM Deutsch introduced Larry Ryan and Tamara McClory from RJM Design Group and Pat Fuscoe from Fuscoe Engineering who joined the video conferenced Board Meeting to provide an update to the board on activity for the development of the new cemetery at the Gypsum Canyon Site.

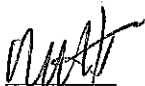
Larry Ryan began by updating the Board on progress with the geotechnical study. He stated that GMU has reviewed the massive report generated by Leighton and reviewed all of the data from the borings and test results. GMU has provided a 12 page summary report and determined that it is possible to have a much less costly remedial grading strategy than previously thought. They have also identified areas on the property that could yield additional developable acreage with this new grading strategy.

Larry Ryan informed the Board that LSA Associates should perform a traffic study. They have previously done a traffic study at El Toro Memorial Park and that information can be extrapolated to the Gypsum Canyon Site. He said the City of Anaheim and the County use different criteria for traffic studies and it would be best to be in concert with the City of Anaheim.

Fuscoe Engineering will also be presenting a proposal to provide a conceptual level grading plan, storm water management plan, roadway access and circulation plan, utility plan, and cost estimate and schedule. Pat Fuscoe will be speaking to this later in the meeting.

Based on the information from GMU, Larry Ryan stated that RJM Design Group has prepared a revised site plan. The lower pad on the new property goes from 108 acres to 126 acres. The upper pad goes from 110 acres to 151 acres with a common area of 20 acres. He also reminded the board that the current access road leading in to the property strays outside of the District's property lines with some of that access road being on land that belongs to the Orange County Parks Department. We will need to go through the process to incorporate these 14 acres so it is District land.

Larry Ryan said that RJM has also prepared a revised entry study concerning the bridges and protecting sensitive habitat, and ensuring that the bridge crossings and entrance are aesthetically



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pleasing. He said it is important to include OC Parks and the Orange County Fire Authority in discussions about access. They are currently active on the site and this is a benefit to the District.

Larry Ryan said that in meetings with Staff from the City of Anaheim, they recommend that the District submit a formal Conceptual Development Review Application once plans have been refined and prepared for items such as civil engineering, utilities, drainage, traffic, etc. We have had no updates from OC Parks, Caltrans, Fish and Game, or the Army Corp of Engineers.

Larry Ryan then provided a PowerPoint presentation showing the progress from the conceptual plans as they stood in September 2019 as compared to the refined concept plans from January 2020. The new plan looks at the grading and how GMU thinks the District can get the best use of the land. Larry Ryan noted that there are some risks with land settling and the goal is to have minor uniform movement that is hardly noticeable as opposed to catastrophic movement. Larry Ryan also discussed bridge entry and is recommending two bridges, one for entry and one for exit. This avoids a bottleneck and is visually more appealing. RJM Also reviewed the upper pad in the event the veterans cemetery decides not to locate on the property and what that upper area may look like if it is used for the public cemetery. Finally, Larry Ryan noted again that the Trip Generation Study conducted at El Toro could be applied to Gypsum Canyon. LSA, who conducted the El Toro traffic study is also on-call to the City of Anaheim, which is helpful. LSA is well positioned to anticipate any concerns the City of Anaheim may have regarding traffic issues with the development of the new cemetery.

Trustee Ward asked what the costs are to develop the upper pad as opposed to the lower pad. Pat Fuscoe answered that it is roughly in the same neighborhood. The entire site is disturbed by the past mining operations, so both areas would be about the same to develop.

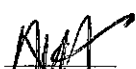
Trustee Ward asked for assurance that the aesthetics of construction are being carefully considered. Pat Fuscoe answered that when you drive in to the site you are looking directly into one of the most beautiful canyons in Orange County. We want to be sure to live up to the beauty of those natural surroundings.

B. New Cemetery Development Site Assessment Consulting Proposals

GM Deutsch said that the Board will be presented with two proposals that are necessary for the Conceptual Development Review Application that the District would like to submit to the City of Anaheim. One proposal is from Fuscoe Engineering and the other is for the traffic study by LSA Associates.

Pat Fuscoe of Fuscoe Engineering led the discussion stating that his job is take the designs given to him from RJM and make sure it works. The proposal he is giving to the Board for their consideration has five major components as follows:

1. Grading & Drainage. In looking at RJM’s site plan, Fuscoe Engineering recommends entire site grading in a lower, middle and upper step. This will involve one to two million yards of earthwork. Once the contour is established roads and landscaping can be phased in over time. It is essential that the District carefully manage storm water so it does not impact the Santa Ana River.


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2. Roads. Fuscoe will prepare a roadway plan for access from Santa Ana Canyon Road to the site which will include a proposed intersection at Santa Ana Canyon Road with a traffic signal, and the use of prefabricated Excel bridge crossings at Gypsum Canyon Creek. Pat Fuscoe stated that the river flows about seven months out of the year. He is proposing placing the bridge crossings where rock has been established in the creek bed. Mr. Fuscoe showed the board pictures of the Excel bridges he wants to use which can be hoisted in to place with a crane. They are 14 feet wide and can support the weight of six fire trucks.

3. Utilities. There is no sewer or water currently on site so the District must bring in this infrastructure. The water is two miles away and we will need to bring it in from Santa Ana Canyon Road. The District will want to use steady public domestic water as it provides good pressure, good quality, and we would be able to have fire hydrants. This land is considered a Category 7 fire hazard and it will be important to have fire hydrants. The nearby Santa Ana River has a large sewer line underneath it. Fortunately for the District, a lateral line was recently installed that the District should be able to connect to for sewer that is just a couple of hundred feet away.

4. Stormwater Management and Water Quality Assurance. Fuscoe Engineering will develop a plan for managing all storm water being delivered to Gypsum Canyon Creek. Trustee Ward asked if the water we are directing to the creek would result in it being a year-round stream. Pat Fuscoe replied that it is important that the District does not disrupt the natural existing stream flow. His vision is to catch all water in to basins and filter as much as possible into the ground. Any remaining water can be directly slowly and quietly into the stream but only amounts that will not alter the existing flow rates. Pat Fuscoe agreed that it will be a challenge not to change was is naturally occurring.

5. Cost Estimate. The final task is to provide a “concept” level cost budget.

Pat Fuscoe used a baseball analogy to describe the process the District must go through, stating that currently the District is in the dugout. The services provided in this proposal will get the District to first base. Once we get the City of Anaheim’s feedback on the Conceptual Development Review Application, we can move to second base and develop schematics. With schematics established, the District can develop construction documents which represent third base. Home plate is the actual start of construction.

Trustee Nelson noted that one of the options on the proposal was a detailed cost estimate and construction schedule for \$9,000. He asked how that differed from the Cost Estimate included in the main proposal for \$,2500. Pat Fuscoe replied that he will employ a team of professional estimators to provide detailed cost estimates as well as a construction schedule. He went on to explain the other optional service of providing 3D modeling of the site for “before vs. after” simulations to show exactly how the site will look from different views. Trustee Nelson recommended that the Board include both of those options.

Chair Hatch asked about timing. Pat Fuscoe replied that the grading plan can be completed in approximately six weeks. The whole proposal will take approximately four months to complete and will provide answers to all the questions that the City of Anaheim may want to know. Chair


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Ward asked about the District’s approach with the City of Anaheim. Pat Fuscoe stated that the District needs to work with them collaboratively with a respectful, rational and deliberate approach. Pat Fuscoe said that he did not anticipate any problems with the City of Anaheim and believes this is the best use of the land and is low impact.

Larry Ryan from RJM Design Group commented that, with respect to the initial submittal to the City of Anaheim, the entire Fuscoe proposal does not need to be complete before we submit. The grading and drainage components are essential for this. Pat Fuscoe stated that he hopes to be able to submit the application to the City of Anaheim in approximately eight weeks.

GM Deutsch noted that with the addition of the two optional items for the detailed cost estimate and the 3D modeling, the total cost for the Fuscoe Engineering proposal would be \$96,000.

MOTION: of Trustee Nelson, seconded by Trustee Ward and carried by a roll-call vote of 5-0, approved the proposals and authorized the General Manager to execute the amendment to the professional service agreement with Fuscoe Engineering in the amount of \$96,000 and LSA Associates in the amount of \$35,000.

GM Deutsch thanked Larry Ryan, Tamara McClory, and Pat Fuscoe for joining the Board Meeting via videoconference and they left the meeting at this time.

Counsel Quintanilla commented that the great thing about grading is that once that is complete the District is vested and permits can’t be revoked.

GM Deutsch also stated that the District is keeping track of any potential shared costs that can be reimbursed to the District by whatever entity eventually occupies the upper area of land currently being held for a State Veterans Cemetery.

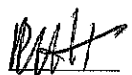
C. Reserve Designations

Brenda Manriquez explained that, in essence, at the end of the year the District decides whether to assign or commit funds. There will be approximately \$4 million in unassigned fund balance at the end of the fiscal year. Staff is recommending that at the end of this fiscal year we take whatever balance is remaining on the contract for Ben’s Asphalt for the Santa Ana project and assign it for that purpose for the next fiscal year.

After assigning this fund balance for the Santa Ana project, there will be approximately \$2.6 million remaining in Unassigned. The District must keep 50% of the projected annual operating expenses as unassigned which for 2019-20 equates to \$1,837,827. Staff recommends designating any remaining funds over \$1,837,827 as committed funds for the purpose of Cemetery Development.

Brenda Manriquez estimates that approximately \$800,000 will be committed for the purpose of Cemetery Development. This will raise that balance to \$11,155,000.

MOTION: of Trustee Nelson, seconded by Vice Chair Marroquin and carried by a roll-call vote of 5-0, authorized the General Manager to designate the remaining project funds for the Santa Ana Cemetery Upgrades as Assigned Fund Balance for


Chair


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Capital Projects; and adopted Resolution No. 2020-07, designating the amount exceeding the minimum Unassigned Fund Balance of \$1,837,827 as committed for the purpose of Cemetery Development.

D. Discussion of Potential Road Closures for El Toro Memorial Park

GM Deutsch explained that in the next fiscal year El Toro Memorial Park will also have a capital improvement project, similar to what Santa Ana Cemetery is undergoing now. However, before any bid documents are prepared, the District needs to consider if the road between Southeast Section and Old Section should be closed and transformed into new interment spaces. We don't want to spend money repaving that road, if it will eventually be torn up for new interment space. GM Deutsch estimates that El Toro Memorial Park could be sold out by December of 2028. He sees two factors that could potentially extend this date. More families may start opting for cremation. The development of the Gypsum Canyon site, may reduce traffic to El Toro Memorial Park.

If we close this section of road it will yield 244 additional full casket spaces. The future potential revenue based on the sale of these spaces with today's fees would be almost \$900,000 in space sales, \$122,000 in Endowment Fees, and \$380,000 in Service Fees. The closure of this road will not impact access to gravesites and is used primarily for Veterans Day and Memorial Day programs. The road is narrow and currently causes traffic problems as it is not wide enough for two vehicles to pass one another. GM Deutsch believes this is the only road in the park that is viable for closure.

Chair Hatch asked when the spaces would be available for sale. GM Deutsch said that the District has learned several lessons from Santa Ana and we do not want to get to the point where that lawn is the only lawn that has availability. However, we also need to give the new lawn at least six months to get firmly established, as we have had to reseed the new lawns in Santa Ana several times as they cannot stand up to the wear from constant interment services. We will also have to have our Irrigation Specialist relocate several of the sprinkler heads for proper watering.

MOTION: of Trustee Nelson, seconded by Trustee Rivers and carried by a roll-call vote of 5-0, approved the closure of the road between the Southeast Section and the Old Section of the El Toro Memorial Park to develop future interment spaces.

E. CSDA Board of Directors Election 2020

GM Deutsch stated that a seat on the CSDA Board of Directors is open in the Southern Network. There are several qualified candidates. Chair Hatch asked each Trustee to say who they thought was best. Trustee Nelson said he knew three of the candidates, but thought Arlene Schafer was the best qualified. Trustee Rivers and Trustee Marroquin agreed stating that they both preferred Arlene Schafer as well. Trustee Ward said she was not familiar with any of the candidates and did not have a preference.

MOTION: of Trustee Nelson, seconded by Trustee Rivers and carried by a roll-call vote of 5-0, approved the selection of Arlene Schafer for the CSDA Board of Directors for 2021-2023.


Chair


Secretary

ITEMS FOR FUTURE AGENDAS

GM Deutsch stated that he anticipates a full agenda in July with items for the 2020-21 budget. He also noted that the Finance and Investment Committee will be meeting in June. No other items were requested for future agendas.

BOARD COMMENTS

A. Virtual Lake Forest Town Hall, May 21, 2020

Trustee Nelson stated he was invited to attend this Zoom meeting and give a presentation on the Orange County Cemetery District. GM Deutsch also listened to the presentation. Trustee Nelson said he spoke for about seven minutes and the participants were very responsive to his presentation. GM Deutsch said he did a great job and plans to rely on Trustee Nelson for future presentations.

B. ISDOC Executive Committee Meeting, June 2, 2020

Trustee Nelson said that he attended this meeting and the new dues structure was approved. They also announced that the ISDOC Quarterly Meetings would now be held via Zoom.

ANNOUNCEMENTS

Trustee Ward said she was very proud of the City of Anaheim which held multiple protests. There was no damage and it was very peaceful with only two items of graffiti found.

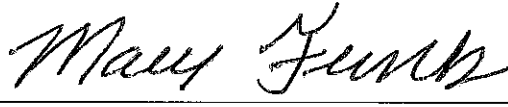
GM Deutsch said the July Board Meeting will also be a Zoom video conferenced meeting.

The next regular meeting will be held on **Tuesday, July 7, 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 12:06 p.m.



Chair



Secretary



Chair



Secretary