

**ORANGE COUNTY CEMETERY DISTRICT  
Board of Trustees  
October 5, 2021**

**MINUTES**

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

PRESENT: William E. Nelson, Vice Chair      Third District  
          Kelly Rivers                                Second District  
          Cynthia Ward                            Fourth District (Arrived 10:25 a.m.)  
          Noel Hatch                                Fifth District

ABSENT: Maribel Marroquin, Chair            First District

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

ALSO PRESENT: Steve Quintanilla, General Counsel

**PUBLIC COMMENTS**

Mr. Ron Bengochea, who could not be present for the meeting, sent an email on September 28<sup>th</sup> requesting that his emailed comments be read during Public Comments. In the email, Mr. Bengochea expressed his gratitude to the Board of Trustees and District Staff for all their efforts toward the progress that has been made in the establishment of a Veterans Cemetery at the Gypsum Canyon Site.

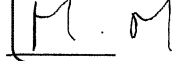
**CONSENT CALENDAR**


- A. Approval of Minutes – Regular Board Meeting, September 7, 2021.
- B. Approval of the October 2021 Check Registers (Claims) Nos. 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, and 64.

**MOTION:** of Trustee Hatch, seconded by Trustee Rivers and carried by a roll-call vote of 3-0, (Chair Marroquin and Trustee Ward absent for the vote), approved the Consent Calendar.

**MANAGER REPORTS**

**A-DS Interments and Interment Space Sales Reports – August 2021**

  
Chair

  
Secretary

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The following interment and interment space sales for August 2021 were reviewed:

			<u>2021-2022</u>	<u>2020-2021</u>
ANAHEIM	Interments	9 (6 Urn)	18 (15 Urn)	16 (11 Urn)
	Lot Sales	5	11	12
EL TORO	Interments	74 (26 Urn)	148 (54 Urn)	149 (56 Urn)
	Lot Sales	120	247	199
SANTA ANA	Interments	16 (10Urn)	34 (19 Urn)	60 (10 Urn)
	Lot Sales	7	11	36
TOTAL	Interments	99 (42 Urn)	200 (88 Urn)	225 (77 Urn)
	Lot Sales	132	269	247

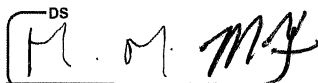
GM Deutsch reported that the monthly activity report for August shows a continuation of what we have been seeing at all three cemeteries. He remarked that it is unfortunate to see the number of deaths occurring, but he is glad that the District is able to support all of these families in their time of need. GM Deutsch is hopeful that we can continue to do so in the upcoming decades.

Anaheim Cemetery reported five space sales including 1 niche space and four in-ground cremation spaces. They conducted nine services in August, none of which were COVID related.

El Toro Memorial Park had 120 space sales of which 97 were for casket spaces. This is 48 more sales than when compared to the previous year-to-date total. As of September 1<sup>st</sup>, El Toro Memorial Park has 3,560 casket spaces remaining. For August, 58% of sales were for Pre-Need and 84% of Pre-Need sales were for casket spaces. There were 11 niches sold in August and 514 niches remain available in the Maureen Rivers Memorial Niche Garden. Staff conducted 74 interment services during the month. GM Deutsch said that this number should go up slightly in September, as we had once again reached the point where the wait time for burials was approaching three weeks. To lessen this time, we are once again performing interments on Sundays and we have increased the number of interments during the week to four services (three caskets and one cremation per day). This has helped reduce the wait time to about a week to a week and a half. There were 3 COVID related deaths at El Toro in August.

Santa Ana Cemetery had 7 space sales in August, two of which were for full casket spaces that had been placed on hold and families were completing those transactions. In August, staff performed 16 interment services. Year-to-date they have conducted 34 services which is 26 less than last year at this time. There were no COVID related deaths at Santa Ana Cemetery in August.

Overall, the District sold 132 space sales in August. Year-to-date the District has sold 269 space sales, which is 22 more than the previous year. Overall, the District conducted 99 interments in August. Year-to-Date, the District has performed 200 interment services, which is 25 less than the previous year at this time.

  
 Chair                      Secretary

**B. Financial Reports – August 2021**

Brenda Manriquez reported that revenues are looking very good. The District is expecting to see the larger chunks of property tax distributions in November and December. Interest rates are still lower than anticipated. Revenues for sales and services continue to be very strong.

For expenses, Salaries and Benefits are higher and this is primarily due to overtime costs, although payroll accruals and merit increases are also contributing factors. There is nothing out of the ordinary for Services and Supplies. Any variances are due largely to the timing of invoices. The 1400 account is a little low due to delayed invoices from California Coastal Patrol. GM Deutsch noted that a large vault order at the end of July is also skewing numbers for Special Department Expenses. He also stated that after merit increases occur, employees often do annual leave buyouts, which is contributing to the increase for this month’s report in Salaries and Benefits.

For equipment, payment was made for the first payment of the backhoe, which will hit the financial reports for September. Costs for Buildings and Improvements of about \$40,000 were all associated with the new cemetery development.

The Balance Sheet is what we are accustomed to seeing. In Pre-Need, the District has just over \$1 million in cash accounts as we are leaving funds in the Orange County Investment Pool. There is now over \$4 million in Pre-Need deposits.

Trustee Hatch thanked GM Deutsch and Brenda Manriquez for all their efforts producing these reports, stating that it inspires great confidence.

**C. Investment Portfolio Changes – September 2021**

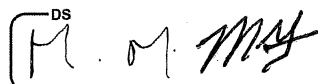
GM Deutsch noted that with the Endowment Income Fund and the Pre-Need Fund, the District is not purchasing new investments, but is rather keeping funds in cash. For the Endowment Principal Fund we are looking to fill the District’s five-year ladder. Over the next six months UBS will have about \$260,000 maturing. In the Stifel Endowment Principal & Income, approximately \$1.7 million will mature. With Stifel’s Pre-Need fund, approximately \$312,000 will mature. GM Deutsch then mentioned the posted interest rates for LAIF, CalTrust, and the OCIP, which are still very low.

**D. Capital Projects Update**

GM Deutsch said that LSA has been busy completing the spring environmental studies. They are also conducting traffic studies for the full cemetery site. GM Deutsch is continuing to have meetings with various stakeholders related to the new cemetery development.

Bids for improvements to the existing cemetery office buildings came in higher than expected. GM Deutsch stated that he is reviewing all the line items with Architect, Jim Mickartz. He hopes to see an award of contract come to the Board at the November Meeting.

GM Deutsch also reported that the backhoe has been received for approximately \$93,000. The mower for El Toro has been ordered, but will not arrive for two to three months due to a backlog

  
Chair                      Secretary

at the factory. We have been able to use a mower from one of the other cemeteries which should suffice until the new mower arrives.

**GENERAL COUNSEL REPORT**

Counsel Quintanilla reported on AB 361, stating that everyone probably noticed the new legal announcement that was posted at the beginning of the agenda. AB 361 allows the District to continue either hybrid Zoom meetings and/or full Zoom meetings. Within 30 days the Board must approve a resolution expressing the need to hold meetings remotely due to COVID-19 in accordance with AB 361. Counsel Quintanilla said this resolution will be an action item on the November agenda.

He also stated that he will be sending out a summary of any new laws that could impact the District.

**UNFINISHED BUSINESS - None**

Trustee Cynthia Ward joined the meeting at 10:25 a.m. GM Deutsch recommended that the Board move to Closed Session at this time. At 10:27 a.m. the Board adjourned to Closed Session.

**CLOSED SESSION**

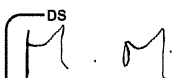

- A. Conference with Legal Counsel – Potential Initiation of Litigation Pursuant to Government Code Section 54956.9  
One potential case.
- B. CONFERENCE WITH REAL PROPERTY NEGOTIATOR  
PURSUANT TO GOVERNMENT CODE SECTION 54956.8.  
Subject Property: Approximately 50 Acres Contained in Assessor Parcel Nos. 085-071-57, 514-012-08 (portion), 514-012-15 and 514-012-24 (portion), Located in Gypsum Canyon Area in the City of Anaheim  
District Negotiator: Tim Deutsch, General Manager of Orange County Cemetery District  
Negotiating Parties: Orange County Cemetery District and Gypsum Canyon Cemetery Partners LLC  
Under Negotiation: Lease Terms

The Board reconvened from closed session at 11:38 a.m. Counsel Quintanilla stated that no reportable action took place.

**NEW BUSINESS**

**A. New Cemetery Development Business Plan Review**

GM Deutsch presented a draft copy of the Orange County Cemetery District Master Plan and New Cemetery Development Business Plan. GM Deutsch stated that this is the next step in the


  
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development of a new public cemetery. The plan includes a narrative portion as well as 30-year financial projections. GM Deutsch added that since the agenda was posted he has made some minor grammatical corrections and also stated that there was an unfinished sentence in the narrative concerning the Endowment Care Study that needs to be corrected. He wanted to give the Trustees an opportunity to comment and suggest any changes or corrections. GM Deutsch also explained that he will be adding a table of contents, before submitting it to the County CEO, Frank Kim.

Vice Chair Nelson stated that he thought it was an excellent plan with both the narrative as well as the financial projections. Trustees Hatch, Rivers and Ward all agreed that the plan was well done and recommended no changes.

GM Deutsch said his goal was to submit it to the County CEO's office around October 14<sup>th</sup>. He was not sure if they would request a formal presentation. If the County recommends any significant changes, GM Deutsch said that he would certainly inform the Board. Counsel Quintanilla stated that this would be a receive and file action.

#### **B. Payment of Magnolia Memorial Park Pre-Need**

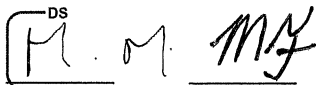
GM Deutsch explained that the Orange County Cemetery District used to own Magnolia Memorial Park. When ownership changed hands to Rose Drive Friends Church in 2001, the District extended the agreement to hold all remaining pre-need funds and issue a payment of \$517.00 for each pre-paid account as the services were used. Ownership of the cemetery has changed again and now it is operated by An Lac Funeral Services. They have inquired as to how they can request payment for the remaining pre-need accounts. As of June 30, 2021, the District still had 29 pre-need deposit accounts in our pre-need fund. At a cost of \$517 for each account, the District would like to issue payment of \$14,993.00 to Magnolia Memorial Park and eliminate those balances from our pre-need deposits. Brenda Manriquez stated that she has received the W-9 from An Lac Funeral Services and the check would be made payable to Magnolia Memorial Park.

Vice Chair Nelson asked if \$517.00 was a negotiated price. GM Deutsch said that was correct. Dianna Torrence had averaged the costs of the pre-need deposits and the agreed on price was \$517 per account. GM Deutsch said that this amount was within his authority to spend, but he wanted the action included in the District's meeting minutes.

**MOTION:** of Trustee Hatch, seconded by Trustee Ward and carried by a roll-call vote of 4-0 (Chair Marroquin absent for the vote), approved the payment of \$14,993.00 to Magnolia Memorial Park for the remaining Pre-Need deposits.

#### **FINANCE AND INVESTMENT COMMITTEE REPORT – September 28, 2021.**

**A. New Cemetery Development Sales/Services, Financing & Budget Projections**  
Committee Chair Nelson stated that the Committee reviewed the financial projections that were just discussed by the Board for the New Cemetery Development Business Plan. No further update was required.

  
Chair                      Secretary

**B. Investment Update – Stifel Investment Services**

Committee Chair Nelson stated that Sandra Wheeler with Stifel Investment Services provided the Committee with a market update on interest rates and discussed the process by which the District could create liquidity in the Endowment Income and Pre-Need funds. It is estimated that funds will be needed in 2024 for construction of the new cemetery, so investing in terms no longer than two-years would be optimal. GM Deutsch mentioned that the District also has the option of transferring into the pooled funds. GM Deutsch said that Sandra Wheeler would facilitate reinvestment of the funds as they mature. She will also provide options for investments maturing in the Endowment Principal Fund and how to best fill the District’s five-year ladder.

**C. Endowment Study Update**

GM Deutsch stated that he is providing HB Actuarial with data needed to complete the Endowment Care Study. The District conducts these studies every five to seven years. The timing for a study now is good, as it will consider new revenues and expenses for the new cemetery which is expected to be operational in 2024-25. All of these new factors will be incorporated into the Endowment Care model and will include projections on where the Endowment Fund will be in the next 50 to 100 years and when the District might need to start relying on those funds.

**ITEMS FOR FUTURE AGENDAS**

GM Deutsch explained that in June of 2022, the current MOU with the Union will expire. The District should begin negotiations with the Union for the next MOU in February of 2022. In order to prepare for these negotiations, GM Deutsch suggested that the Board consider doing a salary study. Vice Chair Nelson stated that a salary study is a good idea. GM Deutsch said he could put a proposal together for the November Board Meeting. The study would cover both Union and non-represented employees.

**BOARD COMMENTS**

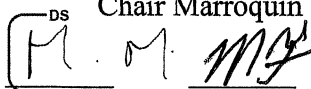
**A. Gypsum Canyon Tour, September 24, 2021**

Trustee Hatch reported that he was impressed with Assemblymember Steven Choi and attendance for the tour was good. While the focus of the event was on the Veterans Cemetery, Trustee Hatch said that those speaking did a good job of incorporating the need for a public cemetery as well. Perhaps this event seemed more beneficial because the City of Irvine had acted, but Trustee Hatch said there was a sense of accomplishment, purpose, and camaraderie. He felt the District got better publicity from this event than the first gathering held by Supervisor Wagner. Vice Chair Nelson also attended the tour, but stated Trustee Hatch’s assessment was very thorough and had nothing to add. GM Deutsch said it was good to see Anaheim’s Mayor Sidhu at the event. He thought more local politicians may have been able to attend if not for the League of Cities meeting that was happening at the same time. GM Deutsch also expressed his thanks to the Veterans groups who supplied Humvees to help transport people on the tour.

**ANNOUNCEMENTS**

**A. CAPC Education/Area Meeting, Oct. 8-9, 2021, San Luis Obispo, CA**

Chair Marroquin and Board Secretary, Mary Funk are both planning to attend.

  
Chair Secretary

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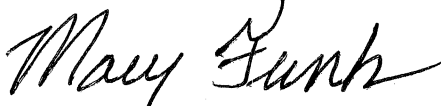
**B. CSDA Member Services Committee Meeting, Oct. 14, 2021, Sacramento, CA**  
Vice Chair Nelson is planning to attend this meeting.

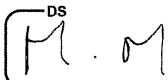
**C. ISDOC Quarterly Meeting, Oct. 28, 2021, Fountain Valley, CA**  
GM Deutsch, Vice Chair Nelson, and Trustee Rivers all plan to attend.  
Vice Chair Nelson asked what the topic was for the ISDOC Meeting. Brenda Manriquez stated that it was a presentation on AB 361.


The next regular meeting will be held on **Tuesday, November 2, 2021**, 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 12:05 p.m.

DocuSigned by:  
  
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Chair

  
Secretary

  
Chair

  
Secretary