

ORANGE COUNTY CEMETERY DISTRICT
Board of Trustees
December 4, 2018

MINUTES

The regular monthly meeting of the Orange County Cemetery District Board of Trustees was called to order by Chair Kelly Rivers 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 General Manager Deutsch.
Roll Call by Board Secretary, Mary Funk.

PRESENT: Kelly Rivers, Chair Second District
Cynthia Ward, Vice Chair Fourth District (Arrived 10:08)
Maribel Marroquin First District
William E. Nelson Third District
Noel Hatch Fifth District

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

ALSO ATTENDING: Steve Quintanilla, Law Offices of Quintanilla & Associates

PUBLIC COMMENTS - None

CONSENT CALENDAR

- A. Approval of Minutes – Regular Board Meeting, November 6, 2018.
- B. Approval of December 2018 Check Registers (Claims) Nos. 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97 and 98.

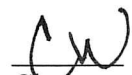
MOTION of Trustee Hatch, seconded by Trustee Marroquin and carried by a vote of 4-0, (Trustee Ward absent for the vote), approved the Consent Calendar.

GENERAL MANAGER REPORTS

Interments and Interment Space Sales Reports – October 2018

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

			<u>2018-2019</u>	<u>2017-2018</u>
ANAHEIM	Interments	6 (5 Urn)	23 (14 Urn)	27 (18 Urn)
	Lot Sales	4	12	13


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EL TORO	Interments	42 (12 Urn)	189 (72 Urn)	192 (61 Urn)
	Lot Sales	52	248	199
SANTA ANA	Interments	24 (6 Urn)	117 (22 Urn)	111 (12 Urn)
	Lot Sales	23	90	110
TOTAL	Interments	72 (23 Urn)	329 (108 Urn)	330 (91 Urn)
	Lot Sales	79	350	322

GM Deutsch noted that October was, once again, a busy month for the District. El Toro Memorial Park had 52 interment space sales and year-to-date they are ahead by 49 sales. GM Deutsch stated that Santa Ana Cemetery has approximately 409 full casket spaces remaining which should last about two years. They are looking at any other options for creating more interment space, but may not be able to do anything else due to concerns with impacting circulation through the park. The inventory at El Toro Memorial Park is estimated to last through 2033.

Financial Reports – October 2018

Brenda Manriquez reported that there was nothing out of the ordinary to report for the October 2018 Financial Reports. There were no major changes to revenues and everything is trending the same. Salaries and wages were slightly over budget, due mostly to overtime expenses for staff. There were no unusual expenses for services and supplies. The largest variances were primarily due to issues with timing. Dirt hauling expenses and architectural and engineering expenses were the largest variances. Brenda Manriquez noted that the invoice posted for one piece of equipment. Other equipment that has been received will appear on next month's financial reports. Brenda also reported that the \$1,033,367 figure for Assigned Funds on the Balance Sheet includes the October payment of \$287,931 for the ongoing capital improvement projects. Trustee Hatch asked if there has ever been a time when anything unexpected appeared in the financial reports. Brenda Manriquez replied that there has not been anything of significance that has not been foreseen. Trustee Hatch also asked if the bankruptcy that occurred in Orange County had any impacts on the District. Dianna Torrence answered that to her recollection, the District was very conservative with its expenses during that period. The account with Wells Fargo was opened at that time, and the District was able to meet all expenses without any real struggle. GM Deutsch also answered that he believes we have put ourselves in a good position.

Vice Chair Ward arrived at 10:08 a.m.

November Investment Portfolio Changes

GM Deutsch reported that three investments matured during the month of November. All of the new investments that were purchased are over 3.2%. The investments that matured were purchased five years ago in different economic times, so the rates for these new investments are improved. The terms are also for five years.

Capital Projects Update

GM Deutsch reported that the Anaheim Restroom project was completed at the end of October and in use for the Dia de los Muertos program. The sewer line extension at El Toro Memorial Park is complete and the excavated area has been reseeded. The spaces that were once unusable due to the sewer line are now available for sale. The masonry contractor is installing the block


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wall and pillars. GM Deutsch noted that there are different shades of block. The odd colored blocks were obtained at a discounted price and will be used below grade, which is a cost savings to the District. The shade structure will be the last component to be completed. For the El Toro restroom, we are waiting for the windows and skylights to arrive and then we can proceed with exterior stucco and drywall inside the structure. We did have to make an adjustment with the niche vendor which has delayed the project to some extent. Trustee Hatch asked if the Contractor was at any risk for walking out on the project. GM Deutsch said that he does not foresee that to be an issue at all. The contractor is anxious to begin work at Santa Ana, but GM Deutsch would still like to see more progress at El Toro before they begin work at Santa Ana. Vice Chair Ward asked if the District could face any penalties for the delay with the niche vendor. GM Deutsch said that we would not, as the niche vendor was selected by the contractor. Trustee Hatch asked if change orders were an issue. GM Deutsch answered, that while there have been some change orders, funds that were budgeted for that purpose will be sufficient to cover the expenses.

The Strategic Plan Dashboard

GM Deutsch said that the District will begin negotiations in February with the Union as the current MOU expires on June 30, 2019. He informed the Board that staff are considering changing their union group and had met recently with Laborers' International Union of North America (LIUNA) about representation. Trustee Nelson asked why staff was interested in making a change. GM Deutsch said that there have been issues with benefits administration and communication regarding benefits has been difficult. GM Deutsch said that labor negotiations will be on the January agenda.

For District hosted events in FY 2018-19, Anaheim Cemetery has had one event (Dia de los Muertos), Santa Ana has had one event (Santa Ana Historical Preservation Society Historical Tour), and El Toro Memorial Park has had one event (Veterans Day). The District is on track for meeting its goal of two events per cemetery per year. Future events include: Anaheim Cemetery - the Homeless Memorial Program on December 21st and the Memorial Day Observance; El Toro Memorial Park - The Angel of Hope Candlelight Service, Wreaths Across America and Memorial Day Observance; and Santa Ana Cemetery Memorial Day Observance.

Financial Operational Changes (Oral Report)

GM Deutsch reported that he has had additional meetings including an impromptu meeting with Vector Control who recently left the County, and staff is still currently investigating options. We are exploring systems that will fit our business in terms of AR and AP. GM Deutsch hopes to have preliminary information for the Finance Committee and then bring it to the Board in January.

County of Los Angeles – Public Cemetery District Meeting (Oral Report)

GM Deutsch stated that he, Counsel Quintanilla, Chair Rivers, and Cemetery Manager Bud Bales attended the Los Angeles County Cemetery District Roundtable that was held on November 28, 2018. He and Steve Quintanilla spoke for about an hour and a half and provided a PowerPoint presentation on the operations and policies of the Orange County Cemetery District and the laws that impact cemetery districts. GM Deutsch said that the Los Angeles Cemetery Districts are interested in attending future CAPC Local Area Meetings. He also commented that


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Chris Palmer, a Public Affairs representative from CSDA would also like to become more engaged in the CAPC Local Area Meetings. Counsel Quintanilla noted that he would not be charging the District for his participation in this meeting in Los Angeles. Vice Chair Ward requested that GM Deutsch send her an electronic copy of the PowerPoint presentation and stated that she was impressed that Los Angeles County would seek out feedback from the Orange County Cemetery District. Trustee Hatch asked GM Deutsch if he expected Los Angeles County to follow up with him for more information as a result of the meeting. GM Deutsch said that he does expect to receive more communication and is happy to offer any assistance the District can provide.

UNFINISHED BUSINESS - None

NEW BUSINESS

Independent Auditor's Report

Dianna Torrence informed the Board that Kinnaly Soukhaseum with Vavrinek, Trine, Day & Co. who was to present the draft audit to the Board, had the wrong day and time of the meeting and would be unable to attend. Brenda Manriquez stated that the only thing missing is their draft opinion. As the Board report indicates, it is a clean audit with no exceptions and no disagreements. Trustee Nelson suggested that, based on the Board report available to the Trustees, that they agree to receive and file the audit. Brenda Manriquez briefly explained that there are some changes to the audit in order to meet the requirements for the Comprehensive Annual Financial Report (CAFR). They include a transmittal letter that discusses the District's economic condition; a statistical section that is added to the end of the audit; and additional schedules and footnotes that address GASB 75 for Other Post-Employment Benefits. Trustee Hatch stated that he does not foresee anything changing as a result of the auditor's presentation.

MOTION of Trustee Hatch, seconded by Vice Chair Ward, agreed to receive and file the financial statements and audit report from Vavrinek, Trine, Day & Co. for fiscal year ending June 30, 2018.

Some discussion followed about GFOA and our submissions for the budget award and for the CAFR. Brenda Manriquez stated that we are expecting to hear about the status of the budget award from GFOA in January. With the approval of the audit, the District can also submit for the CAFR this month. GM Deutsch noted that we will be the first cemetery district to apply for either the GFOA budget award or the CAFR. GM Deutsch confirmed that Kinnaly Soukhaseum with Vavrinek, Trine, Day & Co. will be asked to come to the January meeting to provide her presentation of the audit, as is required by Statement of Auditing Standards No. 114.

Election of Officers

GM Deutsch explained that the Board needed to elect officers for the 2019 calendar year. He explained that typically the Vice Chair moves up to the position of Chair and a new Trustee is nominated for Vice Chair. The Board votes on both positions. The Vice Chair's only responsibility is to take over the Chair role if the Chair is absent from a meeting. There was a brief discussion about submitting a request to the Board of Supervisors to have Trustee Ward re-appointed to the Board, as her term officially expired in January 2018. Trustee Ward said that


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she would communicate her desire to be reappointed to both outgoing Supervisor Nelson and Supervisor-elect Doug Chaffee.

For Chair of the Board of Trustees, Trustee Nelson nominated Vice Chair Cynthia Ward.

MOTION of Trustee Nelson, nominated Vice Chair Cynthia Ward as Chair of the Board of Trustees. Trustee Nelson moved by acclamation that Vice Chair Ward be appointed as Chair of the Board of Trustees for the 2019 calendar year, carried by a vote of 5-0.

For Vice Chair of the Board of Trustees, Trustee Hatch volunteered to serve as Vice Chair for the 2019 calendar year.

MOTION of Chair Rivers, nominated Trustee Noel Hatch as Vice Chair of the Board of Trustees. Chair Rivers moved by acclamation that Trustee Hatch be appointed as Vice Chair of the Board of Trustees for the 2019 calendar year, carried by a vote of 5-0.

ITEMS FOR FUTURE AGENDAS - None

BOARD COMMENTS

Dia de los Muertos Program, Anaheim Cemetery, Nov. 2, 2018

Vice Chair Ward reported that this was the best attended Dia de los Muertos program to date and staff did a fantastic job organizing the event. She noted how appreciative attendees were and stated it was a very good thing for the District to do. Chair Rivers noted that we do need to make some logistical changes to prevent people from wandering out in to the grounds when it is dark.

There was also some discussion about the disturbances that occurred at Santa Ana Cemetery during Dia de los Muertos on November 2nd. GM Deutsch expressed a desire to fence off the Santa Ana Cemetery grounds so it can be secured independently from the adjacent Fairhaven Memorial Park. Staff has been working to identify all easement and boundary issues with Fairhaven to make this possible.

Veterans Day Program, El Toro Memorial Park, Nov. 11, 2018

Trustee Nelson, Trustee Hatch and Chair Rivers attended. Chair Rivers stated that everything went very well. Trustee Hatch and Trustee Nelson agreed, stating that it flowed well and was very precise and organized. GM Deutsch said the event was recorded with a District iPad.

CSDA Board Meeting, Sacramento, Nov. 15, 2018

Trustee Nelson attended this meeting and stated that they discussed the addition of 18 new members. It was also the first time that their educational programs brought in revenues that exceeded one million dollars.

ISDOC Executive Committee Meeting, Fountain Valley, Nov. 6, 2018

Trustee Nelson gave a CSDA report and told the committee that CSDA is looking for proposals for future break-out sessions at their conferences. The deadline for submitting a proposal is


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December 28, 2018. He spoke about the CSDA Finance Corporation, noting that they provided \$50 million in financing to Special Districts last year.

ANNOUNCEMENTS

The Angel of Hope Candlelight Service is on Thursday, Dec. 6, 2018 at 7 p.m. at El Toro Memorial Park. Chair Rivers and Trustee Marroquin are both planning to attend.

Wreaths Across America with American Heritage Girls Troop 356 will distribute wreaths and have a brief ceremony honoring the Armed Services on Saturday, Dec. 15, 2018 at 9:00 a.m. at El Toro Memorial Park. Chair Rivers is planning to attend.

The ISDOC Executive Committee Meeting will be held on January 8, 2019 in Fountain Valley. Trustee Nelson is planning to attend.

The CAPC Annual Conference in Monterey Bay is scheduled for March 7-9, 2019. All of the Trustees expressed an interest in attending.

The next regular meeting will be held on **Tuesday, January 8, 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

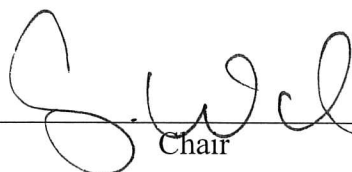
Conference with Real Property Negotiators Pursuant to Government Code Section 54956.8
Property: Assessor Parcel No. 514-012-08 and 085-071-57
Agency Negotiator: Steve Quintanilla, General Counsel and Tim Deutsch, General Manager
Negotiating Parties: Orange County Cemetery District and County of Orange
Under Negotiation: Instructions to District’s negotiator regarding price and terms of payment

Conference with Legal Counsel – Potential Initiation of Litigation Pursuant to Paragraph (4) of Subdivision (d) of Section 54956.9: (One potential case).


The Board adjourned to closed session at 11:13 a.m.

The Board reconvened from closed session at 11:41 a.m. Counsel Quintanilla, stated that no reportable action took place in closed session.

There being no further business, the meeting was adjourned at 11:41 a.m.



Chair



Secretary



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