

ORANGE COUNTY CEMETERY DISTRICT

Board of Trustees
September 3, 2024

MINUTES

The adjourned regular monthly meeting of the Orange County Cemetery District Board of Trustees was called to order by Chair Cynthia Ward 10:04 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 Noel Hatch.
Roll Call by District Secretary, Siennika Pryor-Winters.

PRESENT:	Cynthia Ward, Chair	Fourth District
	Kelly Rivers	Second District
	Noel Hatch	Fifth District

ABSENT:	Maribel Marroquin-Waldram, Vice Chair	First District
	Vladimir A. Anderson	Third District

STAFF: Tim Deutsch, General Manager
Brenda Manriquez, Finance and Accounting Manager
Siennika Pryor-Winter, District Secretary
Sydney Stechmann, Cemetery Assistant

ALSO

PRESENT: Steve Quintanilla, General Counsel

PUBLIC COMMENTS

General Counsel Quintanilla asked if it was a standard practice of having a motion for excused absences in reference to Trustee Anderson's unfortunate illness and missed attendance. GM Deutsch also stated normally a motion to excuse is put on the agenda to cover that day that the individual is sick only if it's known in advance of the meeting. If it is not known prior to the meeting, a motion to excuse can be placed on the Consent Calendar at the following meeting. GM Deutsch stated that Supervisor Wagner is aware on Trustee Anderson's ongoing health issues and his inability to attend the last several meetings.

General Counsel Quintanilla wanted to know if there were a certain number of meetings that could be missed that would automatically vacate the seat. GM Deutsch was not sure who makes that determination especially if the individual was incapable of asking for a motion to be excused. The legalities of the discussion require closed session.

Trustee Ward mentioned she would like to have a meeting with General Counsel to discuss the legal procedures to vacate a seat.


Chair


Secretary

General Manager Deutsch introduced new staff member, Sydney Stechmann, who will be serving as a Cemetery Assistant/Receptionist to the front office at El Toro Memorial Park. He stated how very fortunate we are to bring her aboard with the wealth of her experience both from the mortuary and cemetery side. He asked that she say a few words.

New Staff Cemetery Assistant Stechmann stated her journey in the cemetery industry started about ten years ago. She began as a receptionist at Forest Lawn Memorial Park in Glendale. She also designed headstones and jumped around from mom-and-pop mortuaries and even assisted working green to natural burials. She helped with direct cremations and tried her hand in funeral directing. She thanked the staff and trustees for bringing her aboard.

Chair Ward stated she would be looking forward to meeting and getting to know all of the members of our new team. She stated she loves the professionalism that is being raised in the office and expressed to GM Deutsch that these were good hires.

CONSENT CALENDAR

- A. Approval of Minutes – Adjourned Regular Board Meeting, August 9, 2024
- B. Approval of the August 2024 Check Register (Claims) Nos. 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, and 32.
- C. Authorization for the October 2024 Check Registers (Claims) Nos. 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65 and 66.
- D. Acceptance of the Economic Uncertainty Fund for Unanticipated Expenses in the General Fund Report.

MOTION: of Trustee Hatch, seconded by Trustee Rivers and carried by a vote of 3-0 (Vice Chair Marroquin-Waldram and Trustee Anderson absent for the vote), approved the Consent Calendar.

MANAGER REPORTS

A. Interments and Interment Space Sales Reports – July 2024

The following interment and interment space sales for July 2024 were reviewed:

			<u>2024-2025</u>	<u>2023-2024</u>
ANAHEIM	Interments	8 (5 Urn)	8 (5 Urn)	12 (10 Urn)
	Lot Sales	3	3	6
EL TORO	Interments	81 (31 Urn)	81 (31 Urn)	80 (31 Urn)
	Lot Sales	62	62	135
SANTA ANA	Interments	19 (10 Urn)	19 (10 Urn)	14 (7 Urn)
	Lot Sales	6	6	9


Chair


Secretary

TOTAL	Interments	108 (46 Urn)	108 (46 Urn)	106 (48 Urn)
	Lot Sales	71	71	150

GM Deutsch stated that July is the first month of the new fiscal year, therefore we would start to see the numbers go down as far as comparability to the previous fiscal year. During the first three months of the 2023-24 fiscal year, we did have a lot of at-need sales and pre-need sales. So, when looking at the comparisons we will see a more dramatic difference, but then it will start to level off around December.

Anaheim had three spaces sold and did eight interments for the month compared to six and twelve for last year.

El Toro Memorial Park had a total of 62 interments spaces sold. Of those, 34 were for full casket spaces all of which were at-need. El Toro sold 15 in-ground cremation spaces and 13 niches last month. In the previous year, there were 135 spaces sold so this was a considerable drop comparative to last year. There are 563 remaining available casket spaces at El Toro as of August 1st and 117 niches available in the Maureen Rivers Memorial Niche Garden. This month, 81 services were performed compared to 80 in the previous year.

Santa Ana Cemetery had 6 interment spaces sold including two casket spaces. The two casket spaces sold, were for families that had multiple family members already interred at Santa Ana and they wanted to be able to keep them at that location. The cemetery will be getting approximately 550 casket spaces by the late fall or early winter. Santa Ana performed 19 interments compared to 14 in the previous year. Overall, the District sold 71 interment spaces, about half of which were casket spaces compared to 150 sales in the previous year. For interment services, staff performed 108 compared to 106 in the previous year.

Trustee Hatch asked if we had a sense of where our families are coming from whether it is north or south county. GM Deutsch stated basically all over but a majority to half are from south county with others from Santa Ana and greater Anaheim area. Trustee Hatch stated this should be an indication of what the majority would be for Gypsum Canyon. GM Deutsch agreed and explained how currently we have established a waitlist for Gypsum Canyon. Staff is collecting contact information as they are added to the list. There are currently 180 families who are on the waiting list.

GM Deutsch stated that we are also going to be looking beyond the Gypsum Canyon project for other future property as there is a new 20-acre parcel in Rancho Mission Viejo off of Ortega Highway. One of the later phases does include a Catholic Cemetery and a non-denominational cemetery. He is currently working with the Diocese of Orange and also Mission Viejo Company through RJM.

B. Financial Reports – July 2024

Brenda Manriquez reported the property tax was slightly lower than last year and approximately what was budgeted for. The tax recorder office found that we exceeded this month; however, we


 Chair


 Secretary

are still in a good spot from high interest rates. Although sales went down, services actually went up and were higher than budgeted.

Expenses & Salaries are all on track. Payroll was slightly high due to some overtime and some year-end accruals. She stated that the accounting at year-end is a little different and it makes the numbers a little skewed from what we normally see. We can expect a good chunk of that to go away in the next report unless we do have a lot more overtime. The same for services and supplies.

Brenda Manriquez stated the 2700 account actually is a negative expense. And that's because we had accrued something into last year and it reverses in July; however, the invoice that offset that didn't get paid until August due to timing. She explained there are always timing issues right at year end, and the rollover to the next year.

The \$25,000 in expenses in the 4200 account are all related to the new cemetery development for a variety of our consultants and for the City of Anaheim's planning deposits. The balance sheet is good, nothing out of the ordinary. The Assigned funds for Land Development are now just over \$2 million. However, that number will go down moving forward through the year as the revenue continues to decrease.

The Unassigned funds are at \$2.6 million. We must keep a minimum of six months of operating expenses available as Unassigned. That number has increased reflecting the increase in the new budget.

Chair Ward asked for clarification on exceeding budget in payroll as we have to approve that in advance.

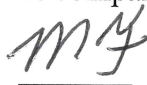
Brenda Manriquez explained that the step increase was from the prior year and the current year-to-budget is going to be mostly overtime because it was higher than what had been anticipated at least for this particular month.

GM Deutsch also explained the reason for added overtime for our ground crew. He stated grass grows very quickly and with the current interment calendar it is difficult for the grounds crew to keep up during the week. Apart from doing interments on the weekends, they are often staying 2 hours after their normal shifts end on the weekdays. Because there were so many customer service calls that came in June and July, the focus has been on getting the grounds back to where they needed to be. That is the primary reason for the overtime. Also, staff from Santa Ana were coming over to help out. The grounds crew continue to have every other Sunday off.

GM Deutsch explained that he is trying to use our own staff as much as possible, but inevitably at some point we will have to contract out some of the maintenance tasks. There was a balance to a certain extent between the 1400 Account for Maintenance and the overtime expense.

GM Deutsch also stated how the District did increase the weekend fee because staff saw that there was more labor needed on the weekend and those costs had to be passed on to families. Payroll is the most difficult one, because it is more about timing. If you have two pay periods or three pay periods compared to last year in a particular month, that changes the whole financial


Chair


Secretary

dynamics. GM Deutsch concluded by stating that staff will have to constantly keep monitoring this and be more cognizant because of the slowing revenues. There are two expense accounts and two revenue accounts that both kind of offset. And if the resell items offsets the 2400 account. The service fees offset by overtime or vice versa.

Brenda Manriquez added that the District was up by \$18,000 over budget on internment services, which helps to balance some of the salary and wage overages.

Trustee Ward thank both for the explanation and clarification.

C. Investment Portfolio Changes – August 2024

GM Deutsch stated that the rates are starting to come down just slightly and we are now starting to see those four and three quarters percentages. Still, those are well ahead of where we thought we would be at this point in the year. Due to the election coming up, that could potentially change. The feds did not make any major adjustments; therefore, our investment advisors are waiting until after the election to see what happens.

Trustee Hatch stated we have \$5 million coming due in the next six months. The interest rate will drop in October. He also asked if Stifel knows what is anticipated.

GM Deutsch answered that he wasn't given an update recently. However, his goal is to have a committee meeting so he could address where the fed rates are going to be and look at all aspects. He will also discuss maturing investments to make sure that we can meet our liquidity needs, especially for the portion that we have to pay in advance versus utilizing long term investments. He stated that typically most agency bonds are called and they will release a new bond at a lower half percent or 50 basis points less, which means investments will only go from 5.5 down to just five. GM Deutsch explained how he was going to reinvest that, and it's usually at the same terms, under five basis points, or 5%. He will extend out just based on some analysis.

GM Deutsch stated that in the next six months the UBS Endowment Income Fund will have about \$2,182,000 million maturing. The Stifel Endowment Income Fund will have about \$1,264,000 million maturing. The Stifel Pre-Need Fund will have about \$1,943,000 million coming due.

GM Deutsch stated they looked at what the goals were for investment purposes. They took it down from 24 months to 18, adding it might have been a little premature just based on the project schedule, so. We may discuss that and put it back up to 24. He stated when we go to use the project funds, which is about at \$20 million; we have to spend ten of our own money first. There is currently about \$15 million in that fund. There is still Capital Reserve fund for projects we can use first before needing to take out our funds. Also, he stated we are working on cost efficiencies with the project as well. The next step will be to collaborate with the State, County and the City to work on aspects of the project where we can look at our cost center and see how we can lessen it.

Brenda Manriquez stated the Feds will be meeting again on September 18th.


Chair


Secretary

Capital Projects Update

GM Deutsch stated that the Capital Project Reports recaps all of the meetings that have taken place in August. They were little to no issues in zoning or development changes. He met with James Campbell, who's working in helping us with state and county relationships regarding the State Veteran's Cemetery development. He also met with the Anaheim Public Utilities regarding the electrical connections along with Larry and his staff at RJM.

GM Deutsch stated he also signed papers to begin the process of undergrounding some of the utilities at Gypsum Canyon to get some of the AT&T lines that are on poles underground so as not to be an eyesore. Also, at the request of one of the consultants he met with an attorney as advisory role to talk about all aspects of the development and moving forward.

As far as existing projects, Santa Ana is in the process of asphalt removal in preparation for the development of new interment spaces. Initially, hired contractors were to come in and complete the work but after meeting with Martin Galvez and staff, it was decided just to have the work completed in-house. This will not only be cost effective but also help our staff be more in control of the service schedules throughout the park. He also stated we are working with the County of Orange to take our asphalt grindings, typically for free. However, we will haul it there. But they'll be able to grind it up and use it for base at the landfills.

GM Deutsch stated the niche project is moving forward. We are continuing to work with KMI, who is the contractor that was approved. Products have been ordered and an invoice for 50% of the product will be forthcoming. On the expense side for the niches, most of the rod iron fence has been completed at El Toro Memorial Park. The \$203,000 is for the niche project in the Maureen Rivers Memorial Niche Garden. For equipment, we anticipate that that the back-ordered utility vehicle, should be here within the next month or so.

For the 2024-25 improvement projects, Santa Ana Cemetery Manager Julio Amarillas and GM Deutsch are working on three pieces of equipment that will be ordered as part of the remaining operation budget.

E. Audit Update (Oral Report)

Brenda Manriquez stated that our auditors did their test work the week of August 19th. They worked remotely and everything they needed was given to them prior to their actual test work so they could sample prepare it initially. They conducted all the internal control meetings with staff. They went through each of our processes and met with us according to our process. For example, they met with Mary Funk and Diana Vosler concerning payroll. Then for cash disbursements and receipts they met with Brenda. For investments they met with GM Deutsch. She stated all of our processes are confirming that everything's the same as it was in the prior year. In conclusion, she stated the audit meeting went well and is scheduled for their final test work the week of November 11th. The auditors are scheduled to issue the final audit before the end of December, with plans to present to the Board in January for final acceptance.

GM Deutsch interjected that we may have to update the auditors on a pending litigation, because at the time the meetings were held, they asked that question; however, there were none pending at that time.


Chair


Secretary

GENERAL COUNSEL REPORT

Counsel Quintanilla had no general counsel report to share.

GM Deutsch suggested that the Board move to New Business, Item B.

NEW BUSINESS

B. 2024 Biennial Notice for Conflict-of-Interest Codes

GM Deutsch stated the only change, is Mary Funk’s title. In the previous code, she was listed as an Administrative Manager, but because of actions that we took at last year board meeting, her title was switch to Assistant General Manager.

A motion to submit was made.

MOTION: of Trustee Ward, seconded by, Trustee Hatch and carried by a vote of 3-0 (Vice Chair Marroquin-Waldram and Trustee Anderson absent for the vote), approved amending the “Administrative Manager” position to “Assistant General Manager” to the district’s list of officials required to comply with the Conflict-of-Interest Code.

ITEMS FOR FUTURE AGENDAS

No items were discussed for future agenda.

BOARD COMMENTS

ISDOC Quarterly Luncheon, July 25, 2024, Fountain Valley

Trustee Rivers attended this meeting. Unfortunately, she left her notes to go into depth about the meeting, but stated discussions were made about new developments for Disneyland and the City of Anaheim as a whole.

ANNOUNCEMENTS

The CSDA Annual Conference is scheduled for September 9-12th in Indian Wells. Trustee Rivers was scheduled to attend, but she may be unable to attend due to other personal obligations. No one will be able to attend due to new staff at all three locations, so any reservations will be cancelled.

The CAPC Annual Conference in 2025 will be held in Seaside, CA March 13-15th.

GM Deutsch reminded the Trustees that CAPC will be holding its Annual Education Seminar & Area Meeting on October 11th and 12th in San Luis Obispo. Any Trustees who want to attend should let Board Secretary Mary Funk know so she can complete registrations and hotel reservations. GM Deutsch noted that the content is about 95% Trustee related, so he will not be sending any staff.

The Board adjourned to Closed Session at 10:55 a.m.


Chair


Secretary

CLOSED SESSION

- A. Public Employee Performance Evaluation Pursuant to Government Code Section 54957.
Employee’s Title: General Manager

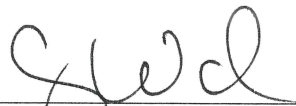
- B. Labor Negotiations – Unrepresented Employee
Pursuant to Government Code Section 54957.6(a)
Unrepresented Employee: Tim Deutsch, General Manager
District Designated Representative: Steven B. Quintanilla, General Legal Counsel

- C. Conference with Legal Counsel – Potential Initiation of Litigation
Pursuant to Government Code Section 54956.9
One Potential Case

The Board reconvened from Closed Session at 11:42 a.m. Counsel Quintanilla stated that no reportable action took place.

The next regular meeting will be held on **Tuesday, October 1, 2024**, 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 11:52 a.m.



CHAIR



BOARD SECRETARY



Chair



Secretary