

ORANGE COUNTY CEMETERY DISTRICT
Board of Trustees
December 1, 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 10:01 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 Rivers.
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

ABSENT:	Cynthia Ward	Fourth District
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STAFF:	Tim Deutsch, General Manager
	Brenda Manriquez, Finance and Accounting Manager
	Mary Funk, Board Secretary

ALSO PRESENT: Steve Quintanilla, General Counsel

PUBLIC COMMENTS - None

CONSENT CALENDAR

- A. Approval of Minutes – Regular Board Meeting, November 3, 2020.
- B. Approval of the December 2020 Check Registers (Claims) Nos. 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, and 96.

MOTION: of Trustee Rivers, seconded by Trustee Nelson 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 – October 2020

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

			<u>2020-2021</u>	<u>2019-2020</u>
ANAHEIM	Interments	9 (6 Urn)	32 (23 Urn)	30 (20 Urn)
	Lot Sales	4	18	10

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EL TORO	Interments	78 (26 Urn)	298 (104 Urn)	244 (85 Urn)
	Lot Sales	85	371	322
SANTA ANA	Interments	30 (14 Urn)	127 (39 Urn)	96 (24 Urn)
	Lot Sales	6	57	46
TOTAL	Interments	117 (46 Urn)	457 (166 Urn)	370 (129 Urn)
	Lot Sales	95	446	378

GM Deutsch reported that all three cemeteries continue to be here for our community. Anaheim Cemetery had four interment space sales, conducted nine services including one COVID case.

El Toro Memorial Park is accounting for the bulk of the revenue with 85 interment space sales. Of those sales 64 were for casket spaces. As of November 1st there are approximately 4,300 casket spaces still available for sale. Hopefully that inventory will last until the new cemetery can be developed in three to four years. There were also 16 sales in the Maureen Rivers Memorial Niche Garden with 616 niches still available for sale. Pre-need sales are trending upward. El Toro Memorial Park also conducted 78 interments in October of which four were COVID cases.

As expected, Santa Ana interment space sales are declining with six sales in October. Santa Ana Cemetery conducted 30 interment services, compared to 26 in the prior year. None of those interments were for COVID cases. Overall, the District had 95 space sales for the month and conducted 117 interments. The cremation rate is up to 39.3%. To date the District has conducted 67 COVID related interments.

GM Deutsch stated that he is working on a master plan to maximize the development of cremation space for the District with the addition of new niche space where possible. The Income Statement reflects that El Toro's activity is producing the bulk of the revenue.

B. Financial Reports – October 2020

Brenda Manriquez reported that not much has changed since the September Financial Report. The District has received a small amount of property tax, but expects the biggest distributions to come in March and April. As expected, interest earnings are lower than budgeted by about \$25,000. Brenda Manriquez is hoping to see a rebound with the economy. She also reported that Pre-Need sales through October are at about \$1 million, which is already at about 50% of what was budgeted for this fiscal year. Revenue from interment services are about in line with what was anticipated. Other taxable revenue includes items such as vaults and flower vases, which is difficult to predict, but the District is currently ahead by about \$11,000 of what was budgeted. Miscellaneous revenue includes the cell tower leases and contract fees. This account is also higher than anticipated, partly due to the large number of contracts from El Toro which opened about 15 new contracts in October.

Expenses are trending normally. Variances in Salaries and Wages are due to October having three pay periods in the same month. This also impacts OCERS and employee insurance which is paid monthly. Services and supplies are normal. Variances are mostly due to timing and when invoices are submitted for payment. Since the District is now paying more bills on the credit card there is a delay with the timing of the statement coming about a month after the actual

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transactions. Trustee Nelson asked about the CalCard transactions and if they are booked at the time of the purchase or when the District receives the statement. Brenda stated CalCard is booked when we get the statement. In order to book transactions at the time of purchases, staff would have to do journal entries with the County. Brenda Manriquez did report that the County is responding more efficiently now, but there are still some bills such as Irvine Water Ranch District and So Cal Edison where the timing requires payment through the District's CalCard.

For equipment expenditures, Brenda Manriquez noted that the \$12,930 Yamaha Golf Cart for El Toro and the \$2,010 bucket attachment are included.

Buildings and Improvements had about \$730,000 in charges including: \$122,000 for the new cemetery design team; \$19,000 to RJM for El Toro's front slope design plans; \$107,000 to All American Asphalt for the El Toro paving project; and \$473,000 to Ben's Asphalt for the Santa Ana Cemetery paving project.

The Balance Sheet showed nothing out of the ordinary, but Brenda Manriquez did point out that she moved the \$1 million from unassigned to Committed, which brings the New Cemetery Development Fund to \$11,355,000.

Chair Hatch asked if Brenda Manriquez saw any dark clouds on the horizon. Brenda Manriquez replied that she was not overly concerned. The biggest downside for us presently are the low interest earnings. Revenue from sales and interment services are strong and she does not foresee any alarming upcoming expenses.

C. Investment Portfolio Changes – November 2020

GM Deutsch stated that for November there were just a couple of changes with Stifel investments. The District purchased the Howard University Bond with a yield of 1.235% and the Stephenson County School District Bond at 1.14%. The District is hoping to stay above 1% but both the Orange County Investment Pool and CalTRUST are starting to slide below that mark. For Bonds its about 50/50 between early calls and normal maturities. It is impossible to predict when early calls will occur.

Brenda Manriquez also noted that the District successfully submitted for the GFOA Budget Award. We will likely not hear any updates on this for at least six months. Also, she stated that she received a draft of the financial statements from the auditors and is reviewing them. She will send the final draft to the Finance and Investment Committee for their review.

D. Capital Projects Update

GM Deutsch stated that, an in-depth discussion with the new cemetery design team will happen at the January or February Board Meeting.

The Santa Ana paving project is complete and final retention has been paid. GM Deutsch did point out on the Fixed Asset report that the Santa Ana project is showing slightly over budget. This is because some work such as the installation of the swing gates and improvements to the security cameras were included in to this project.

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The El Toro Memorial Park paving project is complete. GM Deutsch will file the Notice of Completion after the Board accepts the project at today's meeting.

For the relocation of the telecommunication lines that are impacting interment spaces at El Toro Memorial Park, GM Deutsch reported that a landscape contractor has removed the overgrown landscaping. A contractor job walk should take place some time in December.

Plans and specifications are being developed for the El Toro Memorial Park slope beautification project. It would be unwise to work on the project during the winter months when rain is likely. GM Deutsch expects to award the project in February or March with work to begin in April or May.

For equipment, only the mower for Santa Ana still needs to be ordered. Since the old model is no longer being manufactured staff must switch to a new model. They should be making a decision soon on which mower they want to order.

GM Deutsch referred to photos of the newly constructed retaining wall at El Toro Memorial Park where military flags can be posted on holidays. GM Deutsch would like to be able to feature military branch flags when veterans are being interred that will have a sign stating that the flag is being flown this day in honor of the veteran being interred. There is a similar area at the flag pole in Los Alisos 32, but this new landscape feature is more visible to visitors in the park.

E. New Cemetery Development Update

GM Deutsch reported that a more comprehensive discussion will take place in January or February regarding progress on developing the new fourth public cemetery. He did, however, show several exhibits showing the revised proposed design of the cemetery as well as preliminary rough cost estimates. The new design shows the maintenance area being relocated to the other side of the cemetery just off the main road. This will allow deliveries by large vehicles to the yard without disturbing families visiting the grounds.

Total shared costs for infrastructure such as road construction, grading, and utilities are approximately \$14,761,585. The first phase of cemetery development is coming in at \$32,911,339 for total costs of roughly \$46 to \$48 million. Trustee Nelson asked if we would seek 50% reimbursement off of that \$14 million by any organization that develops the upper pad. GM Deutsch stated that this was correct. Chair Hatch confirmed that if we get reimbursed that \$7 to \$8 million for shared costs that will bring the project closer to \$39 million. GM Deutsch said that was correct, however there are additional costs not included such as an Environmental Impact Report, hazardous material remediation, city street improvements and traffic signals. Some of those items may also be included as shared costs.

Chair Hatch asked that when the Irvine Company did their studies if they come up with the same costs. GM Deutsch answered that their costs would have actually been more, since residential development has stricter requirements for things like geotechnical work and soil compaction. Cemeteries are easier to develop. GM Deutsch informed the board that he would email out the finalized version of these exhibits to the Trustees.

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GENERAL COUNSEL REPORT

Counsel Quintanilla stated that he will email the Trustees a summary of the new laws that may impact the District regarding COVID-19. He will also provide advice as to how to incorporate those new laws into our Personnel Manual and Board Policy Manual.

UNFINISHED BUSINESS – None

NEW BUSINESS

A. Acceptance of the El Toro Memorial Park Asphalt and Concrete Project

GM Deutsch said that all work has been completed for the El Toro Memorial Park asphalt paving project. Once the Board takes official action to accept the project, GM Deutsch will file and record the Notice of Completion with the County. After the waiting period is complete staff will release the final retention amount of \$19,927.42 to the contractor.

MOTION: of Vice Chair Marroquin, seconded by Trustee Nelson and carried by a roll-call vote of 4-0 (Trustee Ward absent for the vote), authorized the General Manager to release the retention amount of \$19,927.42 to All American Asphalt, once the Notice of Completion is filed and the waiting period is completed.

B. Election of Officers

GM Deutsch reminded the Board that every December the Board elects a new Chair and Vice Chair for the upcoming calendar year. Chair Hatch asked if Vice Chair Marroquin was willing to serve as Board Chair for 2021. Vice Chair Marroquin confirmed that she was happy to serve in this capacity.

MOTION of Trustee Nelson, seconded by Trustee Rivers, and carried by a roll call vote of 4-0 (Trustee Ward absent for the vote), elected Maribel Marroquin as Chair of the Board of Trustees for the 2021 calendar year.

For Vice Chair of the Board of Trustees, Chair Hatch asked if Trustee Nelson was willing to serve. Trustee Nelson confirmed that he was willing to serve in 2021 as Vice Chair.

MOTION of Trustee Rivers, seconded by Vice Chair Marroquin, and carried by a vote of 4-0 (Trustee Ward absent for the vote), elected Trustee Nelson as Vice Chair of the Board of Trustees for the 2021 calendar year.

ITEMS FOR FUTURE AGENDAS

Chair Hatch related the sad story of the Laguna Woods Village computers being attacked and held for ransom by Russian hackers. The hack resulted in the Laguna Woods Village having to pay a ransom to have their records restored. Chair Hatch would like to see a report at a future board meeting about the measures the District is taking to secure our computers and data. GM Deutsch said that a few years ago the District was actually hacked, but we had backups of our data and only lost about one week of information. Now we back up to the cloud and we also back up to external hard drives. GM Deutsch said he will have a full summary report in January or February.

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BOARD COMMENTS

Trustee Rivers reported that she attended the Garden of Innocence service that was held at El Toro Memorial Park on November 14th. She said it was altered slightly to accommodate COVID 19 restrictions, but was still a lovely service. GM Deutsch stated that there are still seven more infants waiting to be interred in the Garden. The next service will be on January 23rd for four of those remaining infants.

ANNOUNCEMENTS


- A. **Angel of Hope Virtual Program, December 6, 2020 at 7:00 p.m.**
GM Deutsch said that this will be held offsite and livestreamed. Families will be encouraged to visit the Angel of Hope Monument over the course of that weekend.
- B. **Wreaths Across America, El Toro Memorial Park, December 19th at 9:30 a.m.**
Mary Funk said that the American Heritage Girls will have a private ceremony at the flag pole and will livestream that ceremony on Facebook. Volunteers can come to the park at 9:30 a.m. to begin placing wreaths on Veteran gravesites until supplies last.
- C. **Wreaths Across America, Santa Ana Cemetery, December 19th at 10:00 a.m.**
Mary Funk reported that this is the first year wreaths will be distributed at Santa Ana Cemetery. The Santa Ana Elks Lodge will do a remote ceremony and then come to the park for the placement of wreaths at 10:00 a.m. Vice Chair Marroquin asked how many veterans are interred at Santa Ana. Mary Funk replied that there are approximately 650 veterans at Santa Ana Cemetery.

GM Deutsch stated that he had received information from the Public Cemetery Alliance inviting us to join the organization. The cost would be \$300 annually. Trustee Nelson did not see the value in joining and questioned what this association could provide that CSDA and CAPC could not. The Board agreed not to join the Alliance at this time.


GM Deutsch also updated the board on the hiring of a new Receptionist/Secretary for El Toro Memorial Park. The position closed on November 30th and the District received about 70 applications including several with mortuary experience. Interviews will be held on Tuesday, December 8th. GM said he would keep the Board informed about the candidate that is eventually selected for the position.

The next regular meeting will be held on **Tuesday, January 5, 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 11:25 a.m.




 Chair



 Chair



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