

ORANGE COUNTY CEMETERY DISTRICT

Board of Trustees

October 6, 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 10:05 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 (Logged in at 10:13 a.m.)
	Kelly Rivers	Second District
	William E. Nelson	Third District
	Cynthia Ward	Fourth District (Logged in at 10:14 a.m.)

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

ALSO PRESENT: Steve Quintanilla, General Counsel
Mark Monin, Board President – El Toro Water District
Mike Scheafer, Board President - SDRMA
Debbie Yokota, Acting Chief Risk Officer -SDRMA
Laura Gill, Chief Executive Officer – SDRMA
Ellen Doughty, Member Services Officer - SDRMA

SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY SAFETY AWARD

Chair Hatch welcomed SDRMA Board President, Mike Scheafer to the meeting. Mr. Scheafer joined the video conferenced Board Meeting to present the Trustees with the Earl F. Sayre Excellence in Safety Award for the Property/Liability Program small member category. Also attending on behalf of SDRMA were Debbie Yokota, Chief Risk Officer, Laura Gill, Chief Executive Officer, and Ellen Doughty, Member Services Officer.

The Orange County Cemetery District was selected for this award as a result of having no reported or paid claims in the last five Program Years and earning 18 Credit Incentive Points in the 2019-20 program year. President Scheafer explained that normally this award would be presented to the District at the CSDA Annual Conference, but due to the COVID-19 pandemic and the cancelation of the annual conference, the award was being presented during the District's virtual Board Meeting.

Vice Chair Marroquin and Trustee Ward joined the video conferenced meeting at this time.



Chair



Secretary

Chair Hatch praised the District Staff on its safety record, since the majority of staff are out in the field where the risk of injury is increased. GM Deutsch expressed his gratitude to SDRMA for their help in providing exceptional training opportunities for staff and for the assistance in funding needed safety equipment. GM Deutsch also pointed out that it is a true team effort to obtain the maximum Credit Incentive Points as some of those are earned by the Trustees when they participate in CSDA educational events.

All of the Trustees thanked those present from SDRMA for this recognition. GM Deutsch stated that we would proudly display the award at the District office. The SDRMA personnel left the video conference at this time.

PUBLIC COMMENTS

Chair Hatch recognized Mr. Mark Monin, Board President of the El Toro Water District. President Monin stated that he is seeking the support of the Orange County Cemetery District Board of Trustees for the upcoming election of officers for the Independent Special Districts of Orange County.

Mr. Monin stated that he has been an active participant in ISDOC for the past five years and during that time has never missed a meeting. He has served as 2nd Vice President and is currently serving as 1st Vice President. Mr. Monin mentioned that the Independent Special Districts of Orange County was recognized by CSDA as the Chapter of the Year. In addition, Mr. Monin is a Commissioner on the Orange County Airport Land Use Commission. He also served as a PCF Fire Fighter with the Orange County Fire Authority. Mr. Monin thanked the Board for their time and respectfully asked that they vote for him for the position of ISDOC President.

Chair Hatch thanked Mr. Monin for addressing the Board and noted that they would be discussing the upcoming ISDOC election and making their selection later in the meeting. Mr. Monin left the video conference at this time.

CONSENT CALENDAR

- A. Approval of Minutes – Regular Board Meeting, September 1, 2020.
- B. Approval of the October 2020 Check Registers (Claims) Nos. 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, and 64.

MOTION: of Trustee Nelson, seconded by Trustee Rivers and carried by a roll-call vote of 5-0, approved the Consent Calendar.

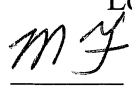
MANAGER REPORTS

A. Interments and Interment Space Sales Reports – August 2020

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

ANAHEIM			<u>2020-2021</u>	<u>2019-2020</u>
	Interments	6 (3 Urn)	16 (11 Urn)	19 (14 Urn)
	Lot Sales	5	12	8


Chair


Secretary

EL TORO	Interments	78 (29 Urn)	149 (56 Urn)	119(43 Urn)
	Lot Sales	110	199	137
SANTA ANA	Interments	29 (7 Urn)	60 (10 Urn)	48 (11 Urn)
	Lot Sales	16	36	19
TOTAL	Interments	113 (39 Urn)	225 (77 Urn)	186 (68 Urn)
	Lot Sales	131	247	164

GM Deutsch stated that, once again, August was a record breaking month for El Toro Memorial Park, with 110 spaces sold and 87 of those spaces being for full casket. This leaves approximately 4,400 casket spaces remaining at El Toro. There were also seven niches sold and 78 interment services conducted. All of this activity is also occurring in the midst of construction and there is no indication that the amount of services will slow. GM Deutsch mentioned that this is the most services El Toro has had in a single month since the UCLA scatterings.

Chair Hatch asked if COVID was the cause for the increase in services. GM Deutsch said the COVID cases themselves have not made much of an impact, but he suspects that as a result of the pandemic people are less likely to seek medical care at a facility for fear of exposure, and there are also factors such as stress and depression that are undoubtedly taking a toll.

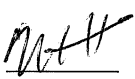
GM Deutsch reported that Anaheim Cemetery had six services and also conducted their first COVID interment. Santa Ana Cemetery is holding steady with 29 interments with nine of those being COVID cases. Overall the District conducted 113 interments which is one more than last month.

At the present rate of sale at El Toro Memorial Park we could be sold out in as quickly as four years. The Income Statement also indicates that El Toro Memorial Park is carrying the costs for all three cemeteries.

B. Financial Reports – August 2020

Brenda Manriquez reported that, as indicated on the monthly activity report, interment space sales revenue was way over the prior year. Even though the number of interment services are high, revenue is slightly lower due to refunds and discounted pricing on interment services where chairs are not being provided due to COVID-19. Interest income is also down quite a bit with CalTrust off by about a third of what was earned this time last year. If the District's outside investors are unable to find options earning above 1%, the District is currently leaving funds in the Orange County Investment Pool.

Trustee Nelson asked about the increase in the utilities account. Brenda Manriquez explained that the Orange County Water District had an error on the basin assessments and we were over charged. Refund checks in the amount of approximately \$5,000 have been received. When these checks are processed the financial reports will show that we are actually slightly under year-to-date. Brenda Manriquez also noted that the District is now paying utility bills on the credit card or through the District's Wells Fargo Account to avoid delays that have been occurring with the County on claims processing.



Chair



Secretary

Brenda Manriquez also noted that the Annual Report of Expense Reimbursements for Individual Charges of at least \$100 for the prior fiscal year was included for review.

C. Investment Portfolio Changes – September 2020

GM Deutsch stated that for September, Stifel has continued to find some Municipal Bonds with rates higher than 1%, so the District has not had to move funds to CalTRUST. GM Deutsch mentioned that there is one investment that matured with UBS for about \$100,000 which will be transferred to CalTRUST. The Trustees briefly discussed the Miami Dade County Aviation Municipal Bond and the San Antonio Airport Municipal Bond. Brenda Manriquez also stated that the early call on the Comcast Corp Bond made sense, but she was surprised that the Bay State Savings Bank CD was called.

D. Capital Projects Update

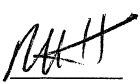
GM Deutsch said that the new cemetery development team submitted the Conceptual Development Review Application to the City of Anaheim on September 10th and he expects to receive feedback from the City on or before October 13th. The Finance and Investment Committee will be discussing the new cemetery project at the committee meeting scheduled for October 7th. Larry Ryan with RJM will provide an update to the Board at the November Meeting and discuss the next steps with the City.

GM Deutsch informed the Board that the final retention payment of \$45,730.75 will be made toward the end of the month to Ben's Asphalt for the Santa Ana Paving project.

He stated that the paving project at El Toro Memorial Park is well underway. The first phase, which involved demolishing and repaving the main street from the front gate to the public restroom and the removal of the road between Southeast and Old Section is complete. Phase 2 involved the removal of the old asphalt curbs along the Park Vista loop and the installation of new cement curbs. This second phase of the project began on September 21st and took about four days to complete. GM Deutsch stated he was very impressed with curb forming equipment that produces the concrete curbs. He said it was an amazing process to watch and very efficient. Phase Three began on October 1st and includes the demolition and repaving of all the roads in the older part of the cemetery. The project will conclude with a final slurry coating all the roads in the park and striping. GM Deutsch reported that there have been few complaints and most people have been understanding. There were some issues with the speed bumps placed on the main street and the contractor had to shave some of them down.

GM Deutsch stated that the first invoice from All American Asphalt should appear in the September Financial Report. He also noted that the golf cart for El Toro has been purchased and they will be buying a new mower for Santa Ana.

Trustee Nelson asked what it means if the City of Anaheim approves our application and asked if we need a zoning change. GM Deutsch stated that this application is really just a preliminary notice to the City of what we intend to do. This is just a first step in the process and the District is still a long way from actual project approval. He added that once the District receives feedback from the City of Anaheim on October 13th, we can look at what the next steps might be.



Chair



Secretary

Chair Hatch asked how the upcoming election might alter the Anaheim City Council and how those changes could impact the District. Trustee Ward stated that there are three seats in play. It is likely that two incumbents will keep their seats but one seat is very much in play. GM Deutsch said we will have to wait until after the election to see what will happen with the Veterans Cemetery in Irvine as well.

OCERS YEAR IN REVIEW 2019

GM Deutsch stated that three of our Board members have not had the opportunity to meet our OCERS representatives. They are: Steven Delaney, Chief Executive Officer; Suzanne Jenike, Assistant CEO of External Operations; and Brenda Shott, Assistant CEO of Finance and Internal Operations. In lieu of a personal presentation, GM Deutsch and Brenda Manriquez are providing the 2019 Year In Review report from OCERS for the Trustees to review. GM Deutsch stated the report has a lot of good information, adding that the investments for OCERS were not as bad as anticipated. He also mentioned that the Finance and Investment Committee would be discussing OCERS at the Committee Meeting scheduled for the next day.

Brenda Manriquez stated that the report shows their operations and priorities. The Board is gradually becoming less risk averse. Ironically though, with the 2020 downturn their traditional conservative approach actually lessened the impact of the current economic climate. The report shows the Aggregate Plan for Projected Employer Rates and various scenarios for Projected Employer Rates by Rate Group. The report also discusses the current state of OCERS and setting policies for the future, looking out to 2058. Brenda Manriquez said that with the pandemic, OCERS staff is functioning almost entirely off-site, including member services. Every third Wednesday of the month OCERS holds an individual plan sponsor update.

Trustee Nelson asked how the OCERS Board is determined. Brenda Manriquez stated that the ten-member board has four members who are appointed by the County Supervisors, four members are elected by the active employees contributing to OCERS, one member is elected by the retired members, and there is one Ex-Officio Member who is Shari Freidenrich.

Trustee Nelson asked about the picture of Anne Crosson that appears in the report. Brenda Manriquez explained that OCERS is celebrating its 75 anniversary and Anne Crosson has in some way been affiliated with OCERS for 74 years.

Chair Hatch asked if 7% is their base number. Brenda Manriquez said that was correct. The current discount rate is 7%. If OCERS does not meet that 7% rate it will create a UAAL. She did note that OCERS looks at that over a 20-year period and they also factor in inflation and salary growth. She also stated that OCERS is more conservative and quicker to drop that 7% rate than CalPERS.

Chair Hatch asked why OCERS is using a 14% rate of return for one of their scenarios, and wondered if it had to do with investments in Europe. Brenda Manriquez stated that she did not know and would have to get back with an answer on that.


Chair


Secretary

COVID-19 UPDATE

GM Deutsch reported that staff have not made any new changes to procedures and will continue to operate as such until we get an all clear from the County. The County is providing weekly updates every Thursday at 11:00 a.m. with reports from various County departments. The District has had a few employees who had feared exposure to the virus or were feeling unwell, but so far, each employee who has been tested has come back negative for COVID.

GENERAL COUNSEL REPORT

Counsel Quintanilla stated that there have been some employers who have had claims filed against them from employees who stated they were required to go to work and as a result they or a family member became positive for COVID. Counsel Quintanilla stated that because we have adopted policies and regulations to safeguard against COVID, that those regulations serve as our affirmative defense.

UNFINISHED BUSINESS - None**NEW BUSINESS****A. Election of Independent Special District of Orange County (ISDOC) Officers**

Chair Hatch noted that the Board just heard from one of the candidates, Mark Monin during Public Comments. The other candidate is Lucille Kring, who is the President of Orange County Mosquito & Vector Control District. Chair Hatch asked each of the Trustees to express their opinions on the candidates.

Trustee Nelson said that he is well acquainted with Mark Monin and felt that the Board should select him as their candidate. He would like to see other Districts represented on the Board but feels Mr. Monin is the best choice. Trustee Ward also enthusiastically supported Mr. Monin. Chair Hatch also agreed stating that he knows Mr. Monin as well. Trustee Rivers said that she was comfortable going with this choice. Vice Chair Marroquin was not present for the discussion.

MOTION: of Trustee Hatch, seconded by Trustee Ward and carried by a roll-call vote of 4-0 (Vice Chair Marroquin absent for the vote), approved the selection of Mark Monin as the candidate to be selected for President on the Independent Special Districts of Orange County Election of Officers ballot.

ITEMS FOR FUTURE AGENDAS

GM Deutsch stated that on the next agenda there will be an update from the Finance and Investment Committee which is meeting on October 7th.

BOARD COMMENTS

Trustee Rivers stated that she would be attending a CAPC planning meeting on Thursday, October 8th regarding the Annual Conference that was planned for the Spring of 2021 in San Diego.


Chair


Secretary

ANNOUNCEMENTS

Trustee Ward stated that she keeps hearing from Veterans wanting to pursue the Veterans Cemetery at the Gypsum Canyon site. She stated that many are frustrated with the lack of progress in Irvine and see continued studies at those locations as a waste of money. Trustee Nelson suggested that the Board should approach our legislators and ask them to support our site for the Veterans Cemetery. Chair Hatch added that the Veterans need to unite about how they want to proceed.

The Board briefly discussed if state funding would even still be available in the current economic climate. Trustee Ward stated that approximately \$24.5 million is designated for a Veterans Cemetery and is in a restricted fund for that purpose and should be secure.

Trustee Nelson stated that Assemblywoman Sharon Quirk-Silva has been actively involved in the fight for an Orange County Veterans Cemetery and may be willing get legislation moving forward that would favor the Gypsum Canyon site. Chair Hatch said that he would speak with Assemblywoman Cottie Petrie-Norris as well.

Trustee Ward stated that the two main Veterans Groups involved are the Veterans Alliance of Orange County whose President is Nick Berardino, and the Orange County Veterans Memorial Park Foundation whose Chairman is Bill Cook.

Chair Hatch asked if we could develop a master list of all the players associated with this endeavor. Trustee Ward volunteered to work with GM Deutsch to establish a master contact list.

GM Deutsch said that at the next ISDOC Quarterly Meeting, he will be providing a presentation on the Orange County Cemetery District. Both Chair Hatch and Trustee Nelson requested to be registered for the ISDOC Quarterly Meeting.

The next regular meeting will be held on **Tuesday, November 3, 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 11:33 a.m.


Chair


Secretary


Chair


Secretary