

**ORANGE COUNTY CEMETERY DISTRICT**  
**Board of Trustees**  
**May 2, 2023**

**MINUTES**

The adjourned regular monthly meeting of the Orange County Cemetery District Board of Trustees was called to order by Chair Kelly Rivers at 10:03 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 Board Chair Kelly Rivers.  
Roll Call by Board Secretary, Mary Funk.

PRESENT:	Kelly Rivers, Chair	Second District
	Maribel Marroquin-Waldram	First District
	Noel Hatch	Fifth District
ABSENT:	Cynthia Ward, Vice Chair	Fourth District
	Vladimir A. Anderson	Third District
STAFF:	Tim Deutsch, General Manager	
	Brenda Manriquez, Finance and Accounting Manager	
	Mary Funk, Board Secretary	

**PUBLIC COMMENTS - NONE**

**CONSENT CALENDAR**

- A. Approval of Minutes – Adjourned Regular Board Meeting, April 12, 2023.
- B. Approval of the May 2023 Check Registers (Claims) Nos. 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, and 175.
- C. Acceptance of the Quarterly Investment Report for March 31, 2023

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

**MANAGER REPORTS**

**A. Interments and Interment Space Sales Reports – March 2023**

The following interment and interment space sales for March 2023 were reviewed:

			<u>2022-2023</u>	<u>2021-2022</u>
ANAHEIM	Interments	7 (4 Urn)	67 (42 Urn)	72 (55 Urn)
	Lot Sales	1	25	44

  
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EL TORO	Interments	85 (32 Urn)	697 (236 Urn)	717 (218 Urn)
	Lot Sales	177	955	1,137
SANTA ANA	Interments	12 (8 Urn)	129 (79 Urn)	180 (78 Urn)
	Lot Sales	9	54	51
TOTAL	Interments	104 (44 Urn)	893 (357 Urn)	969 (351 Urn)
	Lot Sales	187	1,034	1,232

GM Deutsch reported that Anaheim Cemetery continues to do their part with one niche sale in March and 7 interments.

It was another record-breaking month for interment space sales at El Toro Memorial Park in March. Staff sold 177 interment spaces of which 157 were for casket spaces and 20 were for cremation sales. Of the 157 casket spaces sold, 120 were for Pre-Need and 37 were for At-Need families. Trustee Hatch noticed that much of the sales are occurring in Hillside 3. GM Deutsch explained that there is a mosque in Mission Viejo that is encouraging families to purchase space all in the same area. GM Deutsch said he has tasked Cemetery Manager Bud Bales and the Cemetery Assistant, Kim Eazell to inspect each section in the cemetery to ensure that all available spaces are accurately represented. As they check each area, the number of available spaces in each section will be updated accordingly. GM Deutsch estimates that the cemetery will be sold out in 12 to 18 months.

GM Deutsch also informed the Board that Santa Ana Cemetery will be able to close off another road that will yield approximately 165 casket spaces. He also noted that Santa Ana Cemetery has been holding approximately 40 available spaces right next to the office in the event they find spaces that have been sold, but are found to be unusable due to tree root growth or unknown historical interments. GM Deutsch believes they can safely release these spaces for sale and still have enough spaces in reserve to use in an emergency should a sold space be deemed unusable. GM Deutsch said that Cemetery Manager Julio Amarillas believes there are 500 to 1,000 abandoned spaces that could potentially be reclaimed by the District.

GM Deutsch said that there is a process the District would have to follow in order to legally reclaim any abandoned space. The District must seek the owners, notice that we are attempting to reclaim the abandoned spaces, and then then the court can rule that they are abandoned, which would allow the District to then resell those spaces. Trustee Marroquin-Waldram asked if this process takes years. GM Deutsch said it could be shorter, potentially three to six months, but we need to start that process sooner rather than later.

GM Deutsch also said that while Anaheim Cemetery certainly may have some abandoned spaces there are not enough to warrant taking on that process. If Santa Ana can actually reclaim 1,000 spaces and we are able to sell those spaces for \$5,000 each that represents \$5 million in potential revenue. Trustee Hatch asked if it was more about helping serve more families than it is about the money. GM Deutsch replied that it is really about both. By the time we reclaim any abandoned spaces, we will need the revenue. Trustee Hatch asked if any Pro Forma had been done estimating the sales needed to generate sufficient income to keep the District going at the new cemetery. GM Deutsch said that those numbers have already been estimated.

  
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GM Deutsch reported that El Toro Memorial Park now has approximately 1,156 full casket spaces remaining for sale. At this point, GM Deutsch is recommending that we still allow families to purchase space as Pre-Need. He is concerned about reaching a point where there will be no available casket space at all for At-Need families, but he is hoping to curtail that by the measures just discussed. GM Deutsch also noted that in March, El Toro Memorial Park sold 12 niches and there are approximately 307 available niches remaining. He is looking at adding additional niches around the So Cal Edison enclosure, perhaps in the next fiscal year.

El Toro Memorial Park conducted 85 interments in March with a year-to-date total of 697 interments. This is slightly down when compared to the previous year at this time with 717 interments.

GM Deutsch stated that Santa Ana Cemetery sold 9 interment spaces in March and conducted 12 interments. Overall, the District had 187 space sales compared to the 151 in March of 2022. Overall, the District conducted 104 interments compared to the 124 interments completed in March of 2022. As indicated, by this activity, the District is way over estimated revenues for the year. Brenda Manriquez also commented that in terms of revenue, El Toro typically generates about \$400,000 in revenue. This month is was closer to \$700,000.

Trustee Hatch asked if the District is well-liked among our peers. GM Deutsch stated that the District sets the bar for public cemetery operations and fellow association members have always expressed a great deal of appreciation for what we do.

Trustee Hatch asked when the next debt service payment was due. GM Deutsch and Brenda Manriquez answered that the next payment is due in September.

**B. Financial Reports – March 2023**

Brenda Manriquez stated that revenues are great. Approximately \$700,000 in property taxes was posted in April and will be appearing on next month’s financial report. Interest is almost double what was budgeted. In terms of revenue from interment space sales, we already reached our budgeted amount and the District is only nine months in. Revenue from interment services is right where it should be. Salaries and Employee Benefits and Services and Supplies are all trending normally. Any variances are due to the timing of when we receive invoices and when they are paid.

The 4200 Account includes the \$78,799 to Brightview Landscape Development for the completion of the El Toro water line replacement project. The remaining amount of the \$904,000 is for the new cemetery development. Brenda Manriquez was happy to report that the District just received the reimbursement check from the County of Orange for \$295,000 for the flagpole installation. She is not sure why the County had to issue a physical check instead of just doing a journal voucher, but the important thing is that the reimbursement funds were received.

Brenda Manriquez noted that on the first debt service payment was not included in the budget and has not been set up as a liability. She reported that on the Balance Sheet for next year she is creating a column for a debt service fund to give a more accurate idea of what free and clear money the District has. The Debt Service Fund will pull out a full year’s payment. She will

  
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show what that will look like at the Finance and Investment Committee Meeting scheduled for May 24<sup>th</sup>. Right now we are paying the debt service out of the General Fund, but she feels it would be better to have a separate column for the debt service fund to show we can meet those obligations.

Trustee Hatch asked about Federal Funding. GM Deutsch said that he is working with the state on the \$19.3 million that has been set aside for a state veterans cemetery. They are hopefully that those funds will be sufficient to cover the earth movement work for the Veteran's upper parcel. But we need to see that State show willingness to commit those funds.

Trustee Hatch also asked how the site was holding up to all the rains and if we are in the same situation as some of the coastal areas that are having problems with landslides. GM Deutsch said the Gypsum Canyon site does not have the same situation as those problems experienced on the coast and the new cemetery site has had no problems.

GM Deutsch asked Brenda Manriquez if the District could transfer the PreNeed funds received from the County of Orange for Allied Veterans and First Responders to CA Class where the funds can benefit from better interest earnings. Brenda Manriquez said that the District is able to do that. Trustee Hatch asked when the bubble was going to break on interest rates. Brenda Manriquez thought rates could still go up another 0.25%.

#### **C. Interest Rates – March 2023**

GM Deutsch stated that Interest rates continue to climb and we are enjoying the results in increased earnings.

#### **D. Investment Portfolio Changes - April 2023**

GM Deutsch said that there was only one investment that matures in April, the St. Louis Redevelopment Authority Revenue Bond. From the proceeds we purchased a CD and a corporate bond. We kept the new investments short as the returns were better than going long. Over the next six months there will be approximately \$5.5 million coming due. GM Deutsch said he is not looking for liquidity, but is keeping tabs on the investments.

#### **D. Capital Projects Update**

GM Deutsch reported that for the new cemetery development, he met with the State and their design team on April 21<sup>st</sup> and April 28<sup>th</sup>. The design team went out to the property and saw the artist renderings and absolutely loved the location with the beautiful views. GM Deutsch thanked the Board for allowing the District to purchase the van. It has been used on over 60 tours of the new property to date. GM Deutsch stated that the meeting on the 28<sup>th</sup> did not include staff from CalVet, but rather representatives from the Department of General Services, representatives from the CEO's office, Larry Ryan from RJM and an engineer from Public Works. Larry Ryan educated the group about the landslide issue and they were happy to see that there were no significant issues even with all the rainfall. Trustee Hatch asked if the property was very green right now. GM Deutsch reported that it is full of California Mustard and daisies. As the summer comes on, however, GM Deutsch warned that all that vegetation will die off and he is working with the Orange County Fire Authority to mitigate any risks for fire season. GM Deutsch reported that besides OCFA, there are many other cities and agencies that have been

  
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utilizing the property for training and educational purposes including Corona, Chino, Costa Mesa, Brea and Santa Ana College.

GM Deutsch reported that Idea Hall has concluded the various stakeholder meetings and should have printed materials for community engagement. GM Deutsch reported that we are starting to get more traction on the public side. We will be reaching out to the press to help tell our story about public cemeteries and the need for a new public cemetery at this location. Trustee Hatch asked if we have had any feedback from Larry Agran. GM Deutsch said he has had no additional comments from Mr. Agran and the City of Irvine is moving forward with its plans for the park which do not include any cemetery space.

GM Deutsch reported that water line project at El Toro is completed and staff are finishing up some other smaller projects. These include pouring a new concrete pad in the dirt storage compound for a new 40 yard bin to hold additional trash and the installation of red curbs to help ease some of the traffic congestion in the park. Trustee Hatch asked if El Toro will lose any parking because of the red curbs. GM Deutsch said that, if anything, it may actually increase parking, because it will eliminate the chaos that comes from people trying to park on both sides of the street.

GM Deutsch said that for equipment, the District ordered a new trailer that can be used to haul maintenance equipment both here and to the new cemetery.

Trustee Hatch asked when the Trustees will be meeting with staff to hear their concerns about the issues with gravesite decorations. GM Deutsch said he is coordinating meetings at each Cemetery. Chair Rivers said that she is very interested in hearing from staff and would like to attend the meetings at all three cemeteries. GM Deutsch said he would ask legal counsel to make sure how many Trustees can attend those meetings without violating the Brown Act.

#### **GENERAL COUNSEL REPORT - NONE**

#### **NEW BUSINESS – NONE**

#### **ITEMS FOR FUTURE AGENDAS - NONE**

#### **BOARD COMMENTS**

GM Deutsch asked if the Trustees would be available to meet for the next Regular Board Meeting a week later, on June 13<sup>th</sup> as this would allow Trustee Anderson to attend. Trustee Marroquin-Waldram said that she would be able to attend on June 13<sup>th</sup>.

Brenda Manriquez stated that her only concern with June 13<sup>th</sup> for a Board Meeting is that June is year-end for the County. By approving the June claims a week late it would give accounting less time to get June claims in before the County year-end deadline. Brenda Manriquez said it is doable, but it will be a very busy three days of claims processing.

Trustee Marroquin-Waldram confirmed that she will be unable to attend the Finance and Investment Committee Meeting which is scheduled for May 24<sup>th</sup> at 10:00 a.m.

  
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GM Deutsch reported that he and all three Cemetery Managers attended a CAPC Local Area Meeting in Blythe on April 27<sup>th</sup> at the Palo Verde Cemetery District. About 25 people attended from seven different cemetery districts. Counsel Quintanilla gave a presentation on records retention and GSRMA gave a presentation on heat illness. GM Deutsch said there was a good mix of vendors in attendance. He is planning to send out a survey to other Districts to see if there is interest in continuing the local area meetings, which typically happen twice a year. He is recommending scheduling the meetings so all the CAPC events are more evenly spread out across the year.

Trustee Hatch asked if we are going to return to the topic of developing a new strategic plan. GM Deutsch said that COVID halted the District’s attempts to do a new strategic plan and now the District’s focus is set on developing the new fourth cemetery. He will consider it for the next fiscal year. Perhaps we can do an interim strategic plan until the new cemetery is operational and then do a comprehensive strategic plan at that time.

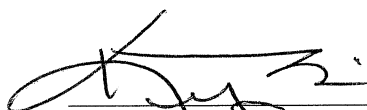
**ANNOUNCEMENTS**

**A. Memorial Day Programs – Monday, May 29, 2023**

Trustee Marroquin-Waldram stated that she would be attending Santa Ana’s program. GM Deutsch will be attending Anaheim’s program and stated that Vice Chair Ward plans to attend Anaheim’s program as well. Chair Rivers, Trustee Anderson and Trustee Hatch plan to attend El Toro Memorial Park’s program.

The next regular meeting will be held on **Tuesday, June 13, 2023**, 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 11:00 a.m.

  
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