

ORANGE COUNTY CEMETERY DISTRICT
Board of Trustees
October 2, 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, Tim Deutsch.
Roll Call by Board Secretary, Mary Funk.

PRESENT: Kelly Rivers, Chair Second District
Maribel Marroquin First District
William E. Nelson Third District
Noel Hatch Fifth District

ABSENT: Cynthia Ward, Vice Chair Fourth District

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

PUBLIC COMMENTS – None

CONSENT CALENDAR

- A. Approval of Minutes – Regular Board Meeting, September 4, 2018.
- B. Approval of October 2018 Check Registers (Claims) Nos. 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65 and 66.

Trustee Hatch complimented staff on the excellent transparency and system of checks in reporting activity on the District credit cards. GM Deutsch also added that the Board Chair reviews his credit card transactions each month as well.

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

GENERAL MANAGER REPORTS

Interments and Interment Space Sales Reports – August 2018

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



Chair



Secretary

			<u>2018-2019</u>	<u>2017-2018</u>
ANAHEIM	Interments	8 (3 Urn)	14 (6 Urn)	12 (6 Urn)
	Lot Sales	5	7	5
EL TORO	Interments	57 (25 Urn)	113 (47 Urn)	98 (30 Urn)
	Lot Sales	84	149	105
SANTA ANA	Interments	33 (5 Urn)	67 (13 Urn)	58 (7 Urn)
	Lot Sales	27	55	65
TOTAL	Interments	98 (33 Urn)	194 (66 Urn)	168 (43 Urn)
	Lot Sales	116	211	175

GM Deutsch noted that Anaheim Cemetery conducted eight interment services, which is a high amount for that cemetery. El Toro, once again had a very busy month with 84 space sales, with nine families purchasing multiple spaces. El Toro held 57 interment services for August. Trustee Hatch asked if this will impact projections for how long our existing available inventory is expected to last. GM Deutsch said that we are reassessing those numbers and if the high rate of sales continues it will shorten the longevity of sales in the park. Trustee Hatch asked what the process is for purchasing space and GM Deutsch explained the general process that a family goes through from the initial contact through the appointment with staff. Santa Ana had ten less interment space sales when compared to the same period in the previous year, and they are up slightly on interment services. Overall, the District is ahead over last year by 36 space sales and 26 interment services.

Trustee Nelson expressed interest in having the Board Members get laptops, tablets, or iPads to make accessing board agendas and communication on District matters easier. GM Deutsch said he would put that under Items for Future Agendas.

GM Deutsch said there was nothing of note on the Income Statement or the Space Availability Report.

Trustee Hatch asked what the hourly rate is for our General Counsel. GM Deutsch answered that it averages about \$110 an hour and the maximum would be \$160 an hour. GM Deutsch also noted that Counsel Quintanilla does not charge for his travel time to attend meetings and the District has never exceeded the budgeted amount for legal expenses. Trustee Hatch noted that this was an excellent rate. GM Deutsch also noted that he and Counsel Quintanilla always review the agenda and legal counsel only attends those meetings where his expertise is needed.

Financial Reports – August 2018

Brenda Manriquez reported that revenues are on schedule and interest income continues to exceed expectations, with better than anticipated returns for both CalTrust and OCIP. As the Monthly Activity Report indicated, interment space sales are way up and interment services are slightly higher as well, when compared to FY 2017-18. For expenses, Brenda Manriquez noted that salaries were slightly over budget and for Services and Supplies, the Utilities Account 2800 is \$18,491 more than the previous year due to the August payment to the Orange County Water District for the Basin Equity Assessment at Santa Ana and Anaheim Cemeteries. There were no equipment purchases and no use of the Economic Uncertainty Fund. A July progress payment


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was made to Horizons Construction. Brenda Manriquez explained that \$1,321,298 had been moved from “Unassigned” to “Assigned” as those funds had been designated for the current construction project with Horizons. The Board will see the “Assigned” figures on the Balance Sheet drop as progress payments continue to be made.

Trustee Nelson asked why the Salaries and Benefits expenses had dropped by \$30,000 when compared to the prior year. Brenda Manriquez and Dianna Torrence explained that it is because the District is no longer paying the stipend to employees. There was also a brief discussion on OCERS and which organizations are in OCERS.

Capital Projects Update

GM Deutsch explained the process of installing the Shot-Crete wall that is now in place at El Toro Memorial Park as part of the new niche project. There was some discussion about the excavation of the slope and ensuring the stability of the earth behind the new retaining wall. GM Deutsch also reported that the Anaheim restroom project is moving forward with plumbing, electrical, walls, tile and fixtures all scheduled to commence shortly. GM Deutsch anticipates that the new restrooms will be available before the Dia de los Muertos program on November 2nd. A payment to the contractor was noted on the Fixed Asset Accounts report and El Toro Memorial Park received one piece of equipment, a trailer.

The Strategic Plan Dashboard

GM Deutsch noted that discussion on land for a fourth cemetery will be held in closed session. He also informed the Board that all the staff evaluations are complete and everyone was rated as average or above. Trustee Hatch asked if there is a good team atmosphere. GM Deutsch replied District-wide there is a good sense of teamwork, although Santa Ana does provide some challenges. The District is on track for all Trustees to attend at least one CSDA or CAPC webinar, class, or conference each year. GM Deutsch encouraged Trustee Marroquin and Trustee Hatch to attend the CAPC Annual Conference in February, as it would be a good way to complete the ten hours of additional training required for the Platinum status for CSDA’s District of Distinction. Brenda Manriquez also stated that we have submitted a redesigned budget presentation in the hopes of qualifying for the Distinguished Budget Presentation Award. GM Deutsch explained that we will use this new format for all future budgets and submit for this award on an annual basis. He will notify the Board when we get the results back from this submittal. He mentioned that the District will also be submitting for the CAFR (Comprehensive Annual Financial Report) award in December.

OCERS Board of Retirement 2018 Strategic Planning Workshop Presentation

GM Deutsch explained that he and Brenda Manriquez were invited to give an informational presentation to the Orange County Board of Retirement Systems (OCERS) on September 12th. They showed a PowerPoint presentation that educated the Board about who we are as a District and then provided them with some important financial information. The slides primarily mentioned the General Fund, although GM Deutsch did explain that the District also has a Pre-Need Fund and an Endowment Care Fund. The Board did have some questions about the Endowment Care Fund. The final slides emphasized the District’s desire to pay off the Unfunded Actuarial Accrued Liability (UAAL) both in the past and in the future. GM Deutsch noted that Shari Freidenrich, the County Treasurer-Tax Collector, is one of our biggest advocates and expressed her strong approval for our District’s efforts to pay off the UAAL. Shari


Chair


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Freidenrich also noted that she is trying to get a medium fund and long-term fund in the Orange County Investment Pool for those organizations who don't need the liquidity.

Trustee Hatch asked how many others in OCERS had paid off their UAAL and GM Deutsch stated that we are the only ones. Brenda Manriquez, however, noted that she thought that Children and Family's Commission would be paying theirs off, if they hadn't already. Trustee Hatch asked what position OCERS is in. GM Deutsch stated that they are about 70% funded. The County's non-safety employees are the biggest sponsor group. The OCERS CEO, Steve Delaney, uses a service that compares plans across the nation and OCERS is in the upper half of those in the survey. Trustee Hatch asked if they would be dropping the assumed rate. Brenda Manriquez explained that they just completed their triennial study and they will be dropping their rate for FY 2019-20 to 7%, which is where the District will pick up a bit of a UAAL again. Trustee Nelson asked how much our projected UAAL will be and Brenda Manriquez answered that it would be approximately \$280,000.

GM Deutsch stated that they also explained to the Board how the District paid off its UAAL in 2014. He noted that for the last four years the District has paid only the normal costs. We will have the Finance Committee make a recommendation to our Board in regards to paying off the UAAL that will be generated in 2019-20. GM Deutsch also said that they explained to OCERS how the District helped its employees transition from paying 0% of their retirement contributions to 100% with one-time annual stipends.


Trustee Nelson asked what "QDROS" meant that appeared on the PowerPoint slide for Plan Sponsor Information. GM Deutsch explained that QDROS refers to an employee who is divorced and their retirement funds are being shared with the divorced spouse. Currently the District has nine retirees who are receiving benefits.

CSDA Annual Conference Awards (Oral Report and Video)

GM Deutsch explained that the District was honored with two awards at the CSDA Annual Conference that was held in September in Indian Wells. The first was the Exceptional Public Outreach & Advocacy Award. The District was recognized for its efforts with the Anaheim Cemetery Historical Candlelight Tour, the Dia de los Muertos Program, and the El Toro Memorial Park Historical Tour. CSDA created a video that was played at the conference which featured GM Deutsch, Board Chair Kelly Rivers, Historian Darrell Rivers, and Communications Manager, Mary Funk. Trustee Nelson also accepted an award on behalf of the District for renewing our Platinum Status for CSDA's District of Distinction. The award recognizes the District's commitment to good governance and to ethical and sound operating practices. Trustee Nelson noted that there are only a few member Districts who have achieved the Platinum Status and the only other in Orange County is the Costa Mesa Sanitary District. GM Deutsch also played a video from the conference that recapped events, speakers, and participants' reactions to the conference. GM Deutsch commented that one of the speakers was from Uganda and mentioned that Dianna Torrence had recently spent two weeks in Uganda on a missions trip.

UNFINISHED BUSINESS - None

NEW BUSINESS


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OCERS Employer Contribution Discount for Fiscal Year 2019-20

GM Deutsch explained that, once again, OCERS is offering a discount to employer's contribution payments made before January 15, 2019 for the fiscal year beginning July 1, 2019. The approved discount rate is 4.5% on the amount that is paid in advance. GM Deutsch reported that the District's estimated employer contribution for 2019-20 would be \$201,959.09. The resulting discount would be \$8,696.80. The total amount the District would pay in advance would be \$193,262.29.

Trustee Nelson asked if this was a lower rate than in previous years. Brenda Manriquez answered that it is. They used to pay the full amount of the expected rate of return which was usually about 7%. But they could not get the funds invested quickly enough to get that full rate of return so they have dropped it to the stated rate of 4.5%.

Trustee Nelson also expressed displeasure that the Auditor-Controller's Office was requiring a minute excerpt of the Board's approval of participation in the early contribution program. GM Deutsch said that staff is examining what the costs would be to do our own financial accounting and benefits administration in-house. GM Deutsch stated that he is also working with Rick Wood, the Finance and Administration Director for CSDA on this as well as examining other credit card options for the District.

MOTION of Trustee Nelson, seconded by Trustee Marroquin and carried by a vote of 4-0, (Vice Chair Ward absent for the vote), approved pre-paying the employer's contributions to OCERS and authorized the General Manager to execute transfer of payment in the amount of \$193,262.29 to OCERS.

Election of Independent Special Districts of Orange County (ISDOC) Officers

GM Deutsch explained that ISDOC is holding elections for officers and the Board needs to discuss the candidates and select which candidates it would like to support. Chair Rivers will sign the ballot which must be submitted no later than October 23, 2018. The results of the election will be announced at the ISDOC Quarterly Meeting on October 25th.

Trustee Hatch stated that, of the candidates, he knows only one, Mark Monin with El Toro Water District. Trustee Nelson felt that there is too much representation at ISDOC from Water Districts and would like to see representation from other kinds of Districts. Trustee Nelson recommended that our Board vote for Michael Posey from the Orange County Mosquito and Vector Control District for President, and for Mark Monin from El Toro Water for First Vice President.

MOTION of Trustee Hatch, seconded by Trustee Marroquin and carried by a vote of 4-0, (Vice Chair Ward absent for the vote), approved the selection of Michael Posey for the position of ISDOC President, and Mark Monin for the position of ISDOC First Vice President.

ITEMS FOR FUTURE AGENDAS

GM Deutsch noted that there are two items he will add to future agendas including: 1) The use of iPads, tablets, or laptops by Trustees; and 2) Moving accounting and benefits functions from the County to in-house staff.


Chair


Secretary

BOARD COMMENTS

CSDA Annual Conference, Indian Wells, September 24-27, 2018

Chair Rivers stated that it was a good conference and she enjoyed the speakers. Trustee Nelson also attended the conference and said there were a lot of good break-out sessions.

CSDA Board Meeting, Indian Wells, September 25, 2018

Trustee Nelson reported that the Board selects officers for the upcoming year. For 2019, the CSDA President will be Joel Bauer from West Side Cemetery District. The Vice President will be Jeff Hodge from Santa Ynez Community Service District. The Treasurer will be Ryan Clausnitzer from Alameda County Mosquito Abatement District. The Secretary will be Elaine Magner with Pleasant Valley Recreation and Park District.

ISDOC Executive Committee Meeting, Fountain Valley, October 2, 2018

Trustee Nelson stated that he didn't attend this meeting.

ANNOUNCEMENTS

The CAPC Annual Education Seminar and Area Meeting will be held in South Lake Tahoe from Oct. 5-6, 2018. Kelly Rivers will attend.

The ISDOC Quarterly Meeting will be held in Fountain Valley on October 25, 2018. Trustee Nelson and Chair Rivers will attend.

The CSDA Professional Development Committee Meeting will be held in Sacramento on Nov. 1, 2018. Trustee Nelson will attend.

The Dia de los Muertos program will be held at Anaheim Cemetery on Friday, Nov. 2, 2018 from 6 p.m. to 8 p.m.

The ISDOC Executive Committee Meeting will be held in Fountain Valley on Nov. 6, 2018.

The Veterans Day Program will be held at El Toro Memorial Park on Sunday, Nov. 11, 2018 at 11:00 a.m.

The CSDA Board Meeting will be held in Sacramento on Nov. 15, 2018.

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

The Board adjourned to closed session at 11:29 a.m.

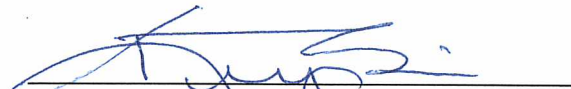

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The Board reconvened from closed session at 12:03 p.m. GM Deutsch stated that no reportable action took place in closed session.

The next regular meeting will be held on **Tuesday, November 6, 2018**, 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 12:04 p.m.



Chair



Secretary



Chair



Secretary