

ORANGE COUNTY CEMETERY DISTRICT
Board of Trustees
March 7, 2023

MINUTES

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

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

ALSO PRESENT: Steve Quintanilla, General Counsel

PUBLIC COMMENTS

Selena Hawkins and Epifanio Fletes, members of the public, both came to comment on the proposed change in rules regarding what is allowed for flower and gravesite decorations that is scheduled to take effect on May 24, 2023.

Both speakers commented that they understand why these changes are being proposed and that they want to abide by the rules and regulations. Selena Hawkins commented that one of the things that first attracted her to El Toro Memorial Park was the cheery atmosphere of all the decorations. She did agree that sometimes the amount of decorations on gravesites can be overwhelming and understands the limit of two items per gravesite. She did state, however, that the restriction banning solar lights and battery operated candles, is a particular hardship for her. Since the death of her son, she has always made sure his grave is illuminated by a little light at night. This gives her great comfort. She respectfully asked the Board to consider modifying the new policy so that she could continue to have a light on her son's grave.

Epifanio Fletes echoed Selena Hawkins comments adding to please at least keep the shepherd hooks as they are easy to remove as well as allowing potted plants, but keeping the policy to two items only.


Chair


Secretary

Selena Hawkins stated that she would even go around to other families and ask them to abide by the cemetery policies. GM Deutsch thanked her for her willingness to help, but stated he could not allow that as it would be a liability for the District.

Vice Chair Ward asked Selena Hawkins what she wanted that the policy would not allow. She stated to please allow the shepherd hooks with a solar light and the ability to put a potted plant for her mother’s grave, as she likes to leave a little succulent out since they last longer.

Trustee Ward explained that since the item was not on the agenda, the Trustees were not allowed to discuss it at this meeting, but will request the item to be placed on the April Agenda for discussion.

GM Deutsch thanked both speakers for coming in and encouraged them to attend future meetings any time they had concerns. We appreciate hearing the comments and feedback from the public. Selena Hawkins and Epifanio Fletes both left the meeting at this time.

CONSENT CALENDAR

- A. Approval of Minutes – Regular Board Meeting, February 7, 2023.
- B. Approval of the March 2023 Check Registers (Claims) Nos. 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, and 143.
- C. Approval of the 2023 Investment Policy.

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

MANAGER REPORTS

A. Interments and Interment Space Sales Reports – January 2023

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

			<u>2022-2023</u>	<u>2021-2022</u>
ANAHEIM	Interments	8 (5 Urn)	51 (31 Urn)	54 (41 Urn)
	Lot Sales	4	21	33
EL TORO	Interments	82 (27 Urn)	539 (181 Urn)	536 (168 Urn)
	Lot Sales	126	677	823
SANTA ANA	Interments	26 (17 Urn)	108 (65 Urn)	144 (63 Urn)
	Lot Sales	8	39	37
TOTAL	Interments	116 (49 Urn)	698 (277 Urn)	734 (272 Urn)
	Lot Sales	138	737	893


Chair


Secretary

GM Deutsch reported that Anaheim had four space sales in January and conducted eight interment services. Year-to-date, Anaheim has conducted 51 interments compared to the 54 conducted the year prior at this time. Almost 61% of interments were cremation based.

El Toro Memorial Park continues to carry the District with 126 space sales in January. Of those sales, 109 were for casket, 13 were for niches, and six were for in-ground cremation spaces. Although this number is high, it is still behind January 2022 when the District sold 142 interment spaces. Trustee Hatch asked where the remaining available casket spaces are located. GM Deutsch answered that they are primarily on the back side of Park Vista, and throughout Hillside 3 and Centennial. There are a few spaces elsewhere in the park, which the District tries to keep reserved in the event of an emergency or if a space that has been sold is found to be unusable. GM Deutsch also reported that 92% of El Toro's pre-need sales were for full casket spaces, of which only approximately 1,350 spaces remain. There are approximately 333 niches remaining in the Maureen Rivers Memorial Niche Garden. Staff at El Toro conducted 82 interments in January, which is just one less than the previous January. El Toro's cremation rate is at about 34%

Santa Ana Cemetery sold 8 interment spaces in January and conducted 26 interments. The two casket spaces that are showing sold were actually two infant spaces sold end-to-end to accommodate an older child's burial. Santa Ana's cremation rate is at about 60%.

Overall, the District sold 138 interment spaces and conducted 116 interments in January. As expected, sales are slightly down with 737 space sales year-to-date compared to the 893 sold the previous year at this time. Interments are just slightly behind at 698 this year compared to 734 in the previous year.

B. Financial Reports – January 2023

Brenda Manriquez reported that everything is trending normally. The District is expecting to receive a large chunk of property tax in April and she expects the District to be at budget, if not a bit higher than budgeted at year end. Revenues from interest are very good and she expects to be at 100% of what was budgeted by the end of February. Revenue from services and sales are a bit down as indicated on the monthly activity report.

For expenses, the 1300 Account is higher primarily due to increased fuel costs, which are now starting to come down. The 1400 Account is also seeing increased costs for security, dirt hauling and trash removal. GM Deutsch noted that the County is now charging the District for each load of dirt that is received. This will amount to about \$30,000 of additional costs. GM Deutsch is checking to see if they can waive these fees as they have in the past. If not, he is also exploring the possibility of dumping dirt at our new site. We will have to make sure with LSA that it would not impact any sensitive species and we would also have to navigate crossing the creek which is problematic in wet weather.

Brenda Manriquez also explained that as the new cemetery comes on line, financial review for the new cemetery will be incorporated into the financial reports, just like the existing cemeteries. Currently operational expenses for the new cemetery development are being recorded in the 1410 Account. This will also include the Idea Hall Contract.


Chair


Secretary

On a positive note, the 2800 account for utilities is \$24,568 below budget primarily due to the decreased water usage with the plentiful rain we have been experiencing.

No new equipment expenditures were posted in January.

The 4200 Account for Buildings and Improvements saw charges totaling \$443,378 for invoices from GMU, RJM, and LSA.

Brenda Manriquez reported that there are no concerns with the Balance Sheet, noting that funds Assigned for Land Development would be used to make the first loan payment to American Rivera Bank.

C. Investment Portfolio Changes – February 2023

GM Deutsch stated that there were a number of investments maturing in February. Even with keeping terms short the District is still seeing rates in the 4% range, and even some at 5% which is amazing. Trustee Hatch commented that he expects this trend to level out. Over the next six months UBS Endowment Principal & Income will have over \$3 million coming due. Stifel Endowment Principal & Income will have over \$1 million coming due. About \$400,000 in Stifel’s Pre-Need will be maturing.

D. Capital Projects Update

GM Deutsch reported the he met with the California Department of General Services Project Manager assigned to do the study on the Veterans Cemetery. GM Deutsch said that they are still assembling their package, which is an important step in the right direction. GM Deutsch discussed the ability to use the District’s development data, but unfortunately, they will still not be able to meet the June 30th deadline to request Federal Funding for 2024. They will not have their studies complete until November. The results of their study will give us an idea of their direction moving forward. Unfortunately, we cannot proceed with our development until we know if the Veterans are moving forward as this will have a significant impact on the grading requirements for the overall site.

In the meantime, we are moving forward with public Engagement with Idea Hall. GM Deutsch met with Mayor Aitken and Concilmember Meeks with the City of Anaheim and Mayor Hernandez with the City of Yorba Linda. He is also scheduling a meeting with Supervisor Sarmiento and will be arranging other outreach meetings as well. So far, all of these meeting have gone well and have been very positive.

Trustee Hatch asked if there was anything the Board could do to help the State move forward. GM Deutsch said the Board has already done it by passing the resolutions to reserve land for the development of a Veterans Cemetery. The local politicians all seem to be in support of the project. We are in a holding pattern until the State announces what its intentions are. If the State does not move forward with a Veterans Cemetery, we can still move forward with the public cemetery. At that point we would try to incorporate more developable acreage for the public cemetery and explore adding a section that is just for U.S. Military Veterans. Developing the upper portion of the property would be cost prohibitive unless we can access the \$20 million being held for the Veterans Cemetery. It helps our financial position to remain solely on the lower pad as we can downsize some of the infrastructure costs.


Chair


Secretary

E. County of Orange Retiree Medical Program Update

GM Deutsch explained that upon retirement, employees currently receive proceeds from a grant that helps to offset healthcare premiums offered to retirees from the County of Orange. As Retiree costs continue to rise the incremental increases of the grant are not keeping up with premium increases. However, the County is now changing to a Health Reimbursement Arrangement (HRA). The HRA will be more flexible and allow retirees to be reimbursed for any type healthcare coverage, not just County sponsored plans and can also be used to pay for any medical costs allowed by the IRS governing HRAs. Because the County is entering into a new plan, the Board will need to take action to participate. The new plan will create cost savings for the District. In the old plan 3.4% of each employee’s salary was paid annually to the grant. In the new plan, the District will pay \$60 per pay period for each eligible employee. GM Deutsch said he has already initiated a conversation with SEIU to let them know about the upcoming changes. GM Deutsch also reiterated that this is not a payroll deduction that the employee pays. Sometime in July each employee will need to decide what to do with their existing grant. They will either be able to freeze the grant or roll the value of the grant into their new HRA. There may be some hybrid options as well depending on the employee’s circumstances and when they may be ready to retire. GM Deutsch said that more information will be presented at an upcoming Board Meeting.

GENERAL COUNSEL REPORT

Counsel Quintanilla advised the Board that during public comment Trustees are allowed to ask questions for clarification and they can direct staff to take action. They may not themselves take action on an item that is not on the agenda.

NEW BUSINESS

A. Resolution – Permitting the Public to Participate Remotely in Regular Board of Trustees Meetings

Counsel Quintanilla explained that the State of Emergency was officially lifted effective March 1, 2023. That means the Board must revert back to the regulations regarding public meetings as listed in the Brown Act. However, under AB 361, the Board can elect to continue offering remote meeting accessibility for the benefit of the public. Trustees may only attend remotely if they have just cause which includes the following reasons: 1) Childcare or caregiving duties; 2) Contagious illness; 3) Physical or mental disability; or 4) Traveling while on District business. Just cause cannot be used more than two times per year by a Trustee. The Trustee may also attend remotely if there is a family emergency. In that situation, the Trustee would not have to make the remote location accessible to the public. Trustees must request permission from the Board to attend remotely. Counsel Quintanilla explained that by adopting this resolution the Board will gain the maximum flexibility in Board Meeting participation.

MOTION: of Trustee Hatch, seconded by Vice Chair Ward and carried by a roll-call vote of 3-0 (Trustee Anderson and Trustee Marroquin-Waldram absent for the vote), adopted Resolution 2023-01, allowing the public to participate remotely in regular meetings of the Board of Trustees pursuant to California Government Code Section 54953, as amended by Assembly Bill No. 361.


Chair


Secretary

B. Board Acceptance of Construction Project – Water Line Replacement Project

GM Deutsch stated that Brightview Landscape did a great job and completed the project without any issues or concerns. The District is ready to close out this project.

MOTION: of Trustee Hatch, seconded by Chair Rivers and carried by a roll-call vote of 3-0 (Trustee Anderson and Trustee Marroquin Waldram absent for the vote), approved the Water Line Replacement Project and authorized the General Manager to release the retention amount of \$3,939.95 to Brightview Landscape Services Company.

COMMITTEE REPORT – Finance and Investment Committee Meeting, Feb. 22, 2023

A. Mid-Year Budget Review

GM Deutsch said that there are no new updates since the Finance and Investment Committee Meeting took place.

B. 2023-24 Fiscal Year Budget Preparation Discussion

GM Deutsch said he plans to present the 2023-24 budget to the Finance and Investment Committee in May and have the Board approve the budget at the June Board Meeting. GM Deutsch suggested holding the committee meeting at 4 pm in the hopes that Trustee Anderson would be able to attend. Counsel Quintanilla advised that we should include excused absences on the Consent Calendar at the April meeting for both Trustee Anderson and Trustee Marroquin-Waldram.

C. Investment Strategy 2023

GM Deutsch said that both Sandra Wheeler with Stifel and Bob Shull with CSDA’s new CA Class investment pool joined the committee meeting remotely. GM Deutsch is recommending that the District diversify its portfolio and begin investing in CA Class as well with any new funds that become available.

D. New Cemetery Development Funding – Debt Service Payment Scheduling

GM Deutsch explained that the funding proposal for the new cemetery development was approved after the budget was finalized, so the first debt service payment is not included in this year’s budget. The Board will need to take action to authorize the General Manager to execute this payment. Also, since this is the first payment, Brenda Manriquez has been trying to set up American Rivera Bank as a vendor with the County. The first payment is due on March 14th, but we did not receive the necessary information from American Rivera Bank with enough advance notice to complete this set up with the County. Brenda Manriquez is working with American Rivera to suspend any delinquent fees until the County can determine if payments will be made through the claims process or through cash management.

MOTION: of Vice Chair Ward, seconded by Chair Rivers and carried by a roll-call vote of 3-0 (Trustee Anderson and Trustee Marroquin-Waldram absent for the vote), authorized the General Manager to execute the payment in the amount of \$610,706.55 to American Rivera Bank for the March 14, 2023 debt service payment.


Chair


Secretary

ITEMS FOR FUTURE AGENDAS

GM Deutsch said that he will be putting the newly proposed changes to the flower and gravesite decoration regulations on the agenda for the Board to review. He also said there will be an agenda item for the Board to approve the District’s participation in the new RHA the County is establishing.

BOARD COMMENTS

Vice Chair Ward stated that she had led an impromptu tour at Anaheim Cemetery last month.

Chair Rivers asked if there had been any further issues with an employee that the Trustees had received a complaint against. GM Deutsch said that he has received no further complaints and believe the problem has been resolved.

Brenda Manriquez announced that the District has once again been notified that it will receive the Budget Award through GFOA. This is the 5th year in a row the District has received this distinction.

ANNOUNCEMENTS

A. CAPC Annual Conference – Seaside, CA, March 23-25, 2023

Chair Rivers, Trustee Marroquin-Waldram and Vice Chair Cynthia Ward will be attending.

B. ISDOC Quarterly Meeting – Virtual, March 30th, 11:30 a.m.

GM Deutsch asked if any of the Trustees would like to be registered. The meeting will feature speakers from Best, Best & Krieger – Government Affairs. Chair Rivers, Vice Chair Ward and Trustee Hatch all requested to be registered for the meeting.

The next regular meeting will be held on **Tuesday, April 4, 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 11:55 a.m.


Chair


Secretary


Chair


Secretary