

ORANGE COUNTY CEMETERY DISTRICT
Board of Trustees
February 7, 2023

MINUTES

The regular monthly meeting of the Orange County Cemetery District Board of Trustees was called to order via video conference by Chair Kelly Rivers 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 General Manager, Tim Deutsch.
Roll Call by Board Secretary, Mary Funk.

PRESENT:	Kelly Rivers, Chair	Second District
	Cynthia Ward, Vice Chair	Fourth District (Joined at 10:03 a.m.)
	Maribel Marroquin-Waldram	First District
	Vladimir A. Anderson	Third District
	Noel Hatch	Fifth District

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

ALSO PRESENT: Steve Quintanilla, General Counsel
 Larry Ryan, RJM Design
 Jessica Andersen, Eide Bailey, LLP

PUBLIC COMMENTS – NONE

CONSENT CALENDAR

- A. Approval of Minutes – Regular Board Meeting, January 3, 2023.
- B. Approval of the February 2023 Check Registers (Claims) Nos. 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, and 127.
- C. Acceptance of Quarterly Investment Report for December 31, 2022.

MOTION: of Trustee Marroquin-Waldram, seconded by Chair Rivers and carried by a roll-call vote of 4-0 (Vice Chair Ward absent for the vote), approved the Consent Calendar.

Vice Chair Ward joined the meeting at this time.

MANAGER REPORTS

A. Interments and Interment Space Sales Reports – December 2022

The following interment and interment space sales for December 2022 were reviewed:



Chair



Secretary

			<u>2022-2023</u>	<u>2021-2022</u>
ANAHEIM	Interments	11 (6 Urn)	43 (26 Urn)	47 (36 Urn)
	Lot Sales	2	17	31
EL TORO	Interments	82 (29 Urn)	457 (154 Urn)	453 (145 Urn)
	Lot Sales	72	551	681
SANTA ANA	Interments	7 (4 Urn)	82 (48 Urn)	118 (52 Urn)
	Lot Sales	2	31	27
TOTAL	Interments	100 (39 Urn)	582 (228 Urn)	618 (233 Urn)
	Lot Sales	76	599	739

GM Deutsch reported that the pace of sales and interments at all three cemeteries has been relatively steady. Anaheim Cemetery conducted 11 interments in December for a total year-to-date of 43 interments. This is just slightly behind last year’s number of 47 interments. Anaheim Cemetery had two cremation space sales.

El Toro Memorial Park sold 72 interment spaces in December which is down significantly from the 118 interments conducted in December 2021. Year-to-date, El Toro Memorial Park has sold 551 interment spaces compared to 681 from the previous year. Forty percent of El Toro’s sales were for pre-need and of those pre-need sales, 89% were for casket spaces. In December El Toro Memorial Park conducted 82 interments, which is just one less when compared to the previous year. El Toro has approximately 1,446 full casket spaces remaining and approximately 349 niches available for sale. GM Deutsch noted that when the telecommunication lines are finally moved we will be able to add some full casket spaces back in to the available inventory.

Trustee Hatch noted that the Old Section Extension is almost sold out with only a couple of spaces remaining. GM Deutsch replied that the Old Section is a beautiful area of the park and staff knew it would sell quickly.

Santa Ana Cemetery sold one niche space and one in-ground cremation space in December and conducted 7 interment services.

Overall, the District sold 76 interment spaces and conducted 100 interments. The District wide cremation rate is also slowly rising and was at 39% in December. GM Deutsch noted that some of the older niches at El Toro Memorial Park are being exchanged to the Maureen Rivers Memorial Niche Garden to allow multiple family members to be interred more closely together.

The income report continues to show El Toro Memorial Park’s activity bringing in the bulk of the revenue.


Chair


Secretary

B. Financial Reports – December 2022

Brenda Manriquez reported that there were not a lot of changes to the December report. The District did receive approximately \$800,000 in property tax revenue and an additional \$95,000 in redevelopment tax, which was better than anticipated. For interest income, the District is at almost \$150,000 year-to-date. Fiscal Year actual interest earnings are \$41,322 higher than the budgeted revenue due to rising return rates at both CalTrust and the OCIP.

For expenses, there were no real changes in benefits and salaries. The 1400 account is a bit higher than budgeted due to increased security costs, particularly at El Toro Memorial Park. Brenda Manriquez stated that there are monies available in the Economic Uncertainty Fund that should cover these costs. Brenda Manriquez also noted that costs are up for special events and programs as staff and Trustees are now attending more in-person conferences and the District is hosting more special events. These costs remain within budget.

No new equipment expenditures were posted in December.

A request to be reimbursed for \$295,000 for costs related to the Gypsum Canyon flagpole installation, was sent to the County of Orange. The District also received invoices totaling \$388,063 from the Gypsum Canyon cemetery development consultants.

Brenda Manriquez reported that the Balance Sheet had no significant changes. As the returns improve, balances are going up. When the Finance and Investment Committee meets in February, we will be discussing the minimum fund balance with overages at the close of the fiscal year beginning designated for new cemetery development.

C. Investment Portfolio Changes – January 2023

GM Deutsch stated that there were a small number of investments maturing in January in the Endowment Income Funds for both Stifel and UBS. GM Deutsch said that the District has not been investing in terms longer than two to three years due to the inverted yield curve. In the next six months, the UBS Endowment Principal and Income Funds will have about \$2.6 million coming due. The Stifel Endowment Principal and Income Funds will have approximately \$1.1 million coming due. The Stifel Pre-Need fund will have about \$400,000 coming due.

GM Deutsch also reported that the pooled funds are becoming very competitive. CSDA has also recommended the CA Class investment pool. GM Deutsch said he would look in to that option and consider whether CA Class is a better choice for the District than CalTRUST.

D. Interest Rates – December 2022

GM Deutsch said that the chart for quarterly interest rates shows the welcome rise in interest rates. He did note that the UBS Endowment Principal Fund has not had many investments coming due, so their increase is less dramatic. He expects to see a jump in these numbers in March.

E. Capital Projects Update

GM Deutsch informed the Board that the District is now using a new platform called Streamline to host the District website. The new site went live in early February and offers users quicker,



Chair



Secretary

more efficient access to the most sought-after information, right on the home page. GM Deutsch said that Streamline has been great to work with and thanked Chair Rivers for visiting the Streamline vendor exhibit at the CAPC conference last fall. Chair Rivers won a drawing and the District was awarded a free website design and hosting for one year.

GM Deutsch also reported that he met with Idea Hall and James Campbell and had the first outreach meeting with Mayor Aitken of the City of Anaheim. During the meeting they helped to inform Mayor Aitken about the project and the need for a new 4th public cemetery to serve the residents of Orange County. GM Deutsch said they will also be engaging with other cities as well.

GM Deutsch also said that the reimbursement request for costs associated with the Gypsum Canyon flag pole installation is making its way through the County or Orange.

GM Deutsch also informed the Board that the replacement of approximately 1,000 feet of galvanized water line is being replaced at El Toro Memorial Park. The pipe runs from the cemetery office and travels along the back of the Rose Garden and connects with other water lines at the Southeast lawn. The fused pipes come in 40' lengths which greatly diminish the number of connections. The contractor has done a fantastic job of working around visitors and interment services to cause as little disruption as possible. Other smaller improvement projects at the existing three cemeteries will be forthcoming. One piece of equipment has been ordered but has not been received yet. Payment will be made on this equipment when it has been received.

Trustee Hatch noted that most of the opposition to the development of cemeteries at the Gypsum Canyon site seem to be coming from Yorba Linda. Trustee Hatch asked if a full EIR will be required. GM Deutsch confirmed that the bulk of any opposition does reside in Yorba Linda. GM Deutsch stated that the City of Anaheim is aware of this and understands that very little opposition has been received by residents of Anaheim. GM Deutsch said the District is planning to hold community events and work actively to engage the community.

GM Deutsch stated that at this time, Larry Ryan with RJM would be joining the meeting with an update on developments at the Gypsum Canyon Cemetery Site.

Larry Ryan stated that sometimes the project moves at the pace of a glacier and then suddenly a flurry of activity will take place. Over the last few days much progress has been made with the City of Anaheim and with CalVet.

Larry Ryan reminded that Board that back in September the design team submitted the development application for the project. After receiving feedback from the City of Anaheim, the Development Team has been working to respond to those comments and questions. He stated that he will be having a meeting on Monday to discuss water delivery to the site and discuss flow tests from nearby fire hydrants.

The City of Anaheim has also hired a consultant to work closely with our geotechnical contractor, GMU, to make sure all parties have a common understanding of the concerns and questions regarding development on the site. Larry stated that the City's consultant and GMU


Chair


Secretary

will be meeting later that day to discuss concerns, particularly the possibility for liquefaction at the creek crossing. Larry Ryan is hopeful that no additional borings will be required and that the City's consultant will be on board with GMU's findings. This is a very important topic and hopefully the meeting will yield positive results.

Larry Ryan also explained that the application submitted to Anaheim was for the development of the public cemetery only. The design team, however, will work with CalVet to provide all the information possible that will be of assistance so they do not have to replicate studies that the District has already completed. We will also provide CalVet with a project description.

Larry Ryan also announced that the District will not have to conduct a full EIR, but rather submit an addendum to the Mountain Park EIR. The development of a cemetery is a much more passive use of the land. We will need to amend traffic studies and operational impacts since they will all be greatly reduced from what the Mountain Park EIR was planning for, which included the development residential units for two to three thousand people.

The contract with Idea Hall was also briefly discussed. They are currently putting together a list of outreach events to stakeholders as well as outreach events for the community.

The Questar pipeline was also discussed. Larry Ryan stated that the line can simply be capped and the easement left in place in case future access is needed, as this will be much less impactful on cemetery development.

The above ground utility poles that run along the East 91 freeway as well as those running along Santa Ana Canyon will have those lines relocated underground, giving a much more aesthetically pleasing look to the cemetery.

Larry Ryan said he and GM Deutsch met with Supervisor Wagner's office to discuss the First Responders and Allied Veterans Sections of the Public Cemetery. He anticipates many more such meetings in the future. During the meeting they also met with Paul Bartlett for the Police and Sheriffs and Brian Abney with OC Fire. They will be the contacts to inform the District when there is a need for a interment service. Trustee Marroquin-Waldram also noted that the Orange County Sheriff's Advisory Council has the ability to assist injured officers or the families of those who have lost their lives in the line of duty.

Vice Chair Ward expressed her congratulation to Larry Ryan on the addendum and not having to do a full EIR. Vice Chair Ward also stated that a hot topic of discussion at the last CAPC function was the sustainable use of water for cemeteries. Larry Ryan said that now is the time to discuss this important issue as some naysayers are critical of a cemetery's use of this limited resource. With that in mind, the design is now reflecting the most responsible use of water possible. Vice Chair Ward asked if there was any way to capture runoff with water tanks or holding ponds and then use that water for irrigation. Larry Ryan replied that the geotechnical engineers would not recommend that with the potential for leaks or the creation of a slip plane. In addition, it would be problematic to store it and use it.

Trustee Hatch asked if there are any serious concerns on the horizon. Larry Ryan stated that the possible liquefaction at the creek crossing is not a fatal flaw and at most would just present

KR
Chair

MF
Secretary

some design constraints. When engineering the creek crossing they are taking into consideration, not just the everyday vehicles that would regularly use the bridge system, but also the heavy equipment that will need to pass across as the various phases of construction come up including CalVet's needs at the Veterans Cemetery. They are continuing to explore alternative ways to navigate the creek. He does not anticipate any environmental issues.

Vice Chair Ward asked if we have an idea who will be operating the Veterans Cemetery. GM Deutsch said that we are just now getting the opportunity to talk with CalVet. If the District is asked to help with maintenance of the Veterans Cemetery we certainly will. That would be a good source of secondary resources. GM Deutsch said we would also make all of our site data available to CalVet. GM Deutsch and Counsel Quintanilla will work cooperatively with CalVet and discuss issues like who will be maintaining shared roads and common areas as well.

Vice Chair Ward also voiced concerns about maintaining the undeveloped land and the potential for wild fires. With all the vegetation that has grown up during this wet winter, she suggested renting goats to keep the vegetation manageable. GM Deutsch said anything we do as far as weed abatement needs to be done in coordination with the design team to make sure we don't cause any harm to sensitive species or protected plant life.

Vice Chair Ward stated she would like to be proactive with the fire department and show that we are being responsible neighbors.

Counsel Quintanilla stated that in the EIR it will spell out mitigation requirements that the District will have to comply with. GM Deutsch said that LSA will also be assisting with that. GM Deutsch also stated that perhaps OC Fire would be able to help knock down some of that vegetation as part of their training exercises.

Larry Ryan said he will also update the project schedule and will get that to the Board at an upcoming meeting. Larry Ryan left the meeting at this time.

GM Deutsch stated that Jessica Andersen with the auditing firm Eide Bailly was on the line and requested that the Board move to New Business at this time.

NEW BUSINESS

A. Independent Auditor's Report for fiscal year ending June 30, 2022

GM Deutsch introduced Jessica Andersen, a partner with Eide Bailly, which is the consulting firm that conducts the District's annual audit of its financial statements and internal controls. Ms. Andersen stated the scope of service was for the fiscal year ending June 30, 2022.

In her presentation to the Trustees, Ms. Andersen stated that the District is receiving a clean and unmodified opinion which is the best rating the District can receive. Several topics were discussed including: the implementation of GASB 87 which relates to revenue from the District's cell tower leases; pension and OPEB liabilities including a sensitivity analysis that illustrates the impact of changes to the Discount Rate; and the calculation for the Gann Appropriations Limit.


Chair


Secretary

Ms. Andersen also reported on an adjustment that was needed in regards to the flag pole agreement with the County of Orange to reflect revenues for the portion by which expenditures were incurred during the year ended on June 3022. The remaining funds received will be reflected in a future period, when expenditures are incurred.

Trustee Hatch stated that after he sifted through all of the auditing documents it seemed like there were several corrections that were noted. He wanted to confirm that the District did receive a clean opinion. Ms. Andersen confirmed that this is correct. She stated, that in general, the profession is always trying to bring even the smallest matters to light, but reiterated that the District is receiving a clean opinion, which is the best you can get.

Brenda Manriquez added some context to the issue regarding the flag pole agreement stating that the \$187,000 related to the flag pole was recorded as revenue, but then decided it should also be tied to expenses.

Brenda Manriquez also noted that that \$20 million the District has borrowed for the construction of the fourth public cemetery, will also be reviewed in the audit next year. The new cemetery development will bring on a whole new set of challenges.

Jessica Andersen left the meeting at this time.

GENERAL COUNSEL REPORT

Counsel Quintanilla stated that the State of Emergency will end on February 28th. As of March 1st the District will need to return to the standards required by the Brown Act for Public Meetings. Teleconferencing for a Trustee will still be allowed, but only under certain circumstances. There must be a quorum physically present at the location posted on the Agenda. The Trustee who is teleconferencing must post the agenda at the location from where he or she is physically located and make that space open to the public should any member of the public wish to join the meeting at that remote location.

AB 361 will still allow teleconferencing if the Orange County Health Director says that social distancing is still needed. The Board would need to take action every 30 days to approve a new resolution allowing the remote meetings to continue. Trustees cannot choose to continue to meet remotely just for the sake of convenience. Trustees who want to attend remotely must have an acceptable reason such as child care issues, personal health problems, travel for District business, etc. The Trustee must send notice to the District and adhere to Brown Act requirements for agenda posting. Trustees cannot participate remotely for more than two to three meetings.

Counsel Quintanilla also stated that AB 361 allows the Board to give the public the ability to join meetings remotely, rather than requiring them to attend in person. AB 361 encourages all public agencies to adopt a reasonable accommodation policy.

Trustee Hatch asked about how this impacts committees. Counsel Quintanilla said the same requirements apply to committees as well. Trustee Hatch commented that there is great strength in meeting in person and it is good to see each other and meet first-hand. He suggested that


Chair


Secretary

beginning with the March Board meeting the Trustees should now meet in person, but still make remote teleconferencing available to the public.

Counsel Quintanilla said the Board may want to revisit its committee structures and discuss if they want to create any temporary subcommittees. Subcommittees must be temporary in nature and have a definite end date and they typically have only a couple of members. These temporary subcommittees do not have to comply with Brown Act requirements.

Trustee Hatch commented that Trustee Nelson provided a wealth of financial insight, and in his absence, recommends leaving the Finance and Investment Committee as a Committee of the Whole. Vice Chair Ward agreed with Trustee Hatch and liked the idea of allowing the public to continue to have the option of joining meetings remotely. Vice Chair Ward asked if consultants for the District would also be allowed to meet remotely. Counsel Quintanilla confirmed that consultants could join Board meetings remotely without any special requirements.

GM Deutsch confirmed that the consensus of the Board was to begin in-person meetings with the March 7th Board Meeting, but to continue to allow access to the public to join meeting remotely.

ITEMS FOR FUTURE AGENDAS - None

BOARD COMMENTS

A. ISDOC Quarterly Meeting (Virtual) January 26, 2023 at 11:30 a.m.

Chair Rivers and GM Deutsch stated that they both attended this meeting. Brenda Manriquez also stated that she listened to the meeting as well. GM Deutsch said that Vector Control spoke and it sounded like the District Manager was retiring. Trustee Anderson confirmed that was the case and that Lora Young was being promoted to fill the position.

ANNOUNCEMENTS


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

GM Deutsch stated Chair Rivers and Trustee Marroquin-Waldram will be attending. He had planned to attend, but will have to pull out due to his daughter’s wedding which will be happening near those dates. Vice Chair Ward stated that she would like to attend.

GM Deutsch reminded the Trustees that the Finance and Investment Committee is scheduled for February 22nd at 1:00 p.m. This will be the last meeting to be held remotely.

The next regular meeting will be held on **Tuesday, March 7, 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 12:00 p.m.



Chair



Secretary



Chair



Secretary