

ORANGE COUNTY CEMETERY DISTRICT
Board of Trustees
September 3, 2019

MINUTES

The regular monthly meeting of the Orange County Cemetery District Board of Trustees was called to order by Chair Ward at 10:02 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 Trustee Marroquin.
Roll Call by Board Secretary, Mary Funk.

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

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

ALSO PRESENT: Oliver Yee, Attorney - Liebert and Cassidy (Closed Session Only)

PUBLIC COMMENTS - None

CONSENT CALENDAR

- A. Approval of Minutes – Regular Board Meeting, August 6, 2019.
- B. Approval of September 2019 Check Registers (Claims) Nos. 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49 and 50.


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

GENERAL MANAGER REPORTS

Interments and Interment Space Sales Reports – July 2019

The following interment and interment space sales for July 2019 were reviewed:

			<u>2019-2020</u>	<u>2018-2019</u>
ANAHEIM	Interments	10 (7 Urn)	10 (7 Urn)	6 (3 Urn)
	Lot Sales	3	3	2
EL TORO	Interments	66 (22 Urn)	66 (22 Urn)	56 (22 Urn)
	Lot Sales	68	68	65


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SANTA ANA	Interments	16 (3 Urn)	16 (3 Urn)	34 (8 Urn)
	Lot Sales	4	4	28
TOTAL	Interments	92 (32 Urn)	92 (32 Urn)	96 (33 Urn)
	Lot Sales	75	75	95

GM Deutsch stated that sales activity was way down at Santa Ana Cemetery. This is primarily due to the need to reseed the new lawns and allow the turf time to recover from the constant activity of interments. While those lawns are recovering, sales must focus on the minimal availability elsewhere in the park. El Toro Memorial Park is receiving some of the families who cannot be served at Santa Ana Cemetery. Vice Chair Hatch asked if we will reach a point where people lose interest for lack of choice. GM Deutsch answered that this was a possibility.

GM Deutsch also explained that Julio and Mary are researching other parts of the cemetery for possible availability. This involves checking the historical records and probing spaces. GM Deutsch explained that we have developed an Unknown Interment Policy for Santa Ana that has been reviewed by legal counsel. Families sign an acknowledgment that they understand this is a historical cemetery and some gravesites are unknown. If families purchase what the District believes is a usable space, and evidence of a prior interment is found, families will be allowed to choose an alternate space. Chair Ward asked if we open graves early enough to allow families to choose another space if a prior interment is discovered. GM Deutsch said that staff makes sure to open graves two to three days ahead.

Overall, the District is running just four interments less than July of the previous year. Sales are down significantly due to the inventory at Santa Ana. Vice Chair Hatch stated that this only emphasizes the importance of the new fourth public cemetery.

Financial Reports – June 2019

Brenda Manriquez stated that in July there are typically a lot of anomalies with accruals and reversals of accruals. For revenues, we are actually higher on sales when compared to last year, even with the reduction of Santa Ana Cemetery. This is because sales are strong at El Toro and prices there are higher.

For expenses, Professional Services are higher than last year. The primary reasons for the increase are the architectural and engineering costs for the El Toro project and assessment for the new cemetery. There are also additional legal costs this year for labor negotiations and the monument issue at Santa Ana Cemetery.

On the Balance Sheet funds have been assigned for land development, reducing our unassigned balance to the equivalent of approximately 6 months of operating expenses. There is still approximately \$160,000 left on Capital Projects for the El Toro Niche Project. Trustee Nelson inquired as to the \$751,000 showing in the Pre-Need Fund as assigned for Capital Projects. Brenda Manriquez answered that this was a mistake and should just be assigned. She stated she would correct that.



 Chair



 Secretary

August Investment Portfolio Changes

GM Deutsch noted that there were two investments that matured this period for Wells Fargo and UBS. The rate of return for the new investments are slightly lower. GM Deutsch noted that the Finance and Investment Committee Meeting is scheduled for September 18th and the Wells Fargo representative will be here. GM Deutsch stated that for now the District should leave money in the Orange County Investment Pool. As they go to longer term investments the rates are very competitive now. Trustee Nelson stated that the news seems to indicate an inversion and that short-term investments are actually producing better rates than long term. If that's the case, we should be seeing better rates on these short-term investments. Brenda Manriquez said that CalTRUST is medium term which is why OCIP is performing better now.

Chair Ward asked if the District is recession-proof. GM Deutsch said that people will still need our services regardless of the economy. We are actually better positioned in a recession because we are the most affordable option for interment services. Chair Ward stated that she just wanted to see stability in the middle of a downturn. GM Deutsch said that hopefully in the next round of union negotiations, we will be adding staff for a new cemetery.

Capital Projects Update

GM Deutsch stated that the consulting firms doing site assessments on the Gypsum Canyon property should be able to update the Board at the October meeting with renderings and an opinion about what the potential is for the site. LSA found no exceptions and should give a clean report. Leighton will give a geologic review to show us what areas are suitable for development. Vice Chair Hatch asked if GM Deutsch could provide a timeline at every meeting so they can stay informed on how the District is keeping up with project goals. GM Deutsch stated that RJM Design Group has a bar chart of project goals to be completed. Vice Chair Hatch said that the District should match financial goals with that time frame.

GM Deutsch said that he also met with Fairhaven Memorial Park to discuss swing gates that can better control traffic between the two parks. He is getting at least three bids for swing gates that can be installed right on the property edge between Santa Ana Cemetery and Fairhaven. Fairhaven is also interested in limiting traffic on their own grounds to allow entry only to the office and chapel after certain hours.

Vice Chair Hatch asked if there was a homeless problem at Santa Ana Cemetery. GM Deutsch said that during the day, Santa Ana does have problems with loitering and using the restroom, but they are not trying to stay on the grounds overnight. Anaheim Cemetery did have an issue where the new restroom was vandalized. It has since been repaired and we have had no further issues.

The Strategic Plan Dashboard

GM Deutsch stated that El Toro has now begun selling niches in the new niche area and the first services have already been held.

GM Deutsch also reported that he and Vice Chair Hatch had met with Supervisor Bartlett to educate her about our District and plans for development of the new land. Vice Chair Hatch stated that Supervisor Bartlett was very impressed with how we operate and seemed excited to


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visit the site. GM Deutsch then presented a site map to the Board and discussed boundaries and site utilization.

Discussion ensued about the District allowing short-term use of the property by other entities. GM Deutsch stated that he would be having a meeting on the 11th with a company that wants to use a portion of the land to transform green waste in to mulch. Ventures like this could assist the District with capital improvements to the site as well as generate additional revenue for the property's development. GM Deutsch stated that ultimately it is up to the County and it remains unclear how jurisdiction works between the city of Anaheim and the County of Orange. Trustee Nelson did not see anything in our agreement with the County that would exclude such activities. The District's requirements are to have the first burial within ten years and to allocate 50% of the usable space for a veterans cemetery. GM Deutsch said the District is entertaining all uses as long as they are not detrimental to the operations of a cemetery.

The Board also discussed the upcoming site tour that Assemblymember Choi is coordinating with the District on September 23rd at 10:00 a.m. Vice Chair Hatch asked if this was something GM Deutsch thought of. GM Deutsch answered that it was Assemblymember Choi's idea.

In other areas of the strategic plan, the results for surveys for the second quarter are in and nothing out of the ordinary was noted. There will be updates in closed session regarding labor negotiations. GM Deutsch reported that he and Trustee Marroquin met with Supervisor Do's office for planning the upcoming Dia de los Muertos event at Santa Ana Cemetery. The Communications and Public Relations Committee will meet on the 13th to discuss Dia de los Muertos and to review the Anaheim Historical Tour. He also confirmed that Trustee Nelson, Trustee Rivers and Chair Ward will be attending the CSDA Annual Conference that is being held Sept. 25th - 27th in Anaheim. Trustee Marroquin will be attending the Thursday sessions only. Chair Ward, Trustee Rivers and Trustee Nelson will also attend the CAPC Annual Education Seminar and Area Meeting in Ventura on Oct. 11th and 12th.

CLOSED SESSION

GM Deutsch recommended the Board go into closed session at this time.

Conference with Labor Negotiators pursuant to Government Code Section 54957.6(a):
 District designated representative: Chief Negotiator Oliver Yee, General Counsel Steven B. Quintanilla.
 Employee Organization: Groundskeeping Unit (Service Employees International Union Local 721 CTW-CLC).

The Board adjourned to closed session at 10:46 a.m.

The Board reconvened from closed session at 11:10 a.m. Attorney Oliver Yee stated that the board unanimously approved the Memorandum of Understanding with Service Employees International Union Local 721 CTW-CLC which concludes labor negotiations.

UNFINISHED BUSINESS - None


 Chair


 Secretary

NEW BUSINESS

Acceptance of District-wide Restroom Remodel and El Toro Memorial Park Niche Project

GM Deutsch stated that the only remaining item left outstanding on this project is the spillway for the fountain in the niche area which is scheduled to be installed in the upcoming days. Nonetheless, he wanted to submit this project to the Board, so they could accept it prior to the dedication that is scheduled on September 19, 2019. Once the fountain is complete, GM Deutsch will file a Notice of Completion with the County. If no liens are found during the 30-day waiting period, then GM Deutsch will release retained funds to Horizons Construction.

Vice Chair Hatch asked about the decorative circles that can be seen on a portion of the niche walls as you drive up past the Southeast Section. GM Deutsch explained that they are actually bolts that are required for stability on the taller banks of niches. That is why they can be seen on some walls and not on others. Eventually landscaping will grow tall enough so they won't be as noticeable.

MOTION: of Vice Chair Hatch, seconded by Trustee Nelson and carried by a vote of 5-0, accepted the District-wide Restroom Remodel and El Toro Memorial Park Niche Project and authorized the General Manager to release the retention amount of \$76,986.10 to Horizons Construction, Inc., once the Notice of Completion is filed and has passed the 30-day waiting period.

Strategic Plan 2019-2024

GM Deutsch reminded the Board that the current strategic plan ends in 2019. Over the last five years the District has achieved most of the major goals of the plan and now The Board needs to discuss options for strategic planning for the next three to ten years. Trustee Nelson stated that in 2006 and in 2010 the District used Management Partners to assist with Strategic Planning. In 2014 the District used Jim McComb. Trustee Nelson stated that Jim did a fantastic job and he particularly liked the success measures and strategic barometer that allows the Board to have regular updates on progress made.

Chair Ward stated that she is not in favor of sole-sourced contracts. Chair Ward, Trustee Rivers and Trustee Marroquin all agreed that it is important for the District to put out a request for proposals and consider other consultants. Trustee Marroquin asked GM Deutsch if we need an outside consultant. GM Deutsch answered that the strategic plans have brought us to a level we weren't at in 2006. They give us a great foundation to improve and grow. We do have the in-house capability, but it would take time for staff to take on this project. Trustee Nelson stated that strategic planning requires a specialized skill set.

The Board agreed to put out a call for RFPs and then decide what to do once they have had a chance to evaluate the submittals received by the District.

Unrepresented Employees Compensation and Benefits (Finance & Accounting Manager, Administrative Manager, Cemetery Managers, Secretary, Cemetery Assistant, Irrigation Specialist and District Mechanic)

GM Deutsch explained that the changes accepted in the MOU typically get passed on to unrepresented employees as well. The major changes include allowing employees to buy back up


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to 80 hours of annual leave each fiscal year in the increments they choose, matching contributions in the 457 deferred compensation plan up to \$1,200, and increasing the step classifications by 2 steps in 2019-20, 1 step in 2020-21 and 1 step in 2021-22. Merit increases resulting for the changes to the classification steps will be retroactive to July 5, 2019.

MOTION: of Vice Chair Hatch, seconded by Trustee Marroquin and carried by a vote of 5-0, approved for unrepresented employees, the same compensation adjustments offered to the represented employees, with merit adjustments effective July 5, 2019.

General Manager Annual Compensation

Counsel Quintanilla submitted a board report stating that at the August Board Meeting he was directed by the board in closed session to extend an offer of a 5% increase in compensation for the General Manager to be effective July 1, 2019. The General Manager accepted the offer and now, as per the Brown Act, it is necessary for the Board to formally consider and vote on the matter in open session to officially approve the increase in compensation.

MOTION: of Vice Chair Hatch, seconded by Trustee Marroquin and carried by a vote of 5-0, approved a 5% increase in the General Manager's annual compensation, as offered by the Board and accepted by the General Manager, commencing July 1, 2019.

ITEMS FOR FUTURE AGENDAS - None

BOARD COMMENTS

CSDA Fiscal Committee Meeting, Sacramento, August 15, 2019

Trustee Nelson attended this meeting and stated they approved the 2020 budget which includes a 5% increase in the cost of dues. They also plan to add a sixth Public Affairs Coordinator as well as in-house general counsel. Total revenues are approximately \$5.5 million, which is up significantly from three years ago.

ISDOC Executive Committee Meeting, Fountain Valley – Sept. 3, 2019

Trustee Nelson stated that he did not attend this meeting.

ANNOUNCEMENTS

The CSDA Board Meeting will be held in Sacramento on Sept. 6, 2019. Trustee Nelson will attend.

The next CAPC Local Area Meeting will be held at El Toro Memorial Park on September 19, 2019 from 10 a.m. to 1 p.m. A dedication of the Maureen Rivers Memorial Niche Garden will also take place. Darrell Rivers will be speaking. All of the Trustees except for Vice Chair Hatch are planning to attend.


Chair


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The CSDA Annual Conference will take place in Anaheim from September 25-28th. Trustee Nelson, Trustee Rivers, Chair Ward and GM Deutsch will all be attending. Trustee Marroquin and the three Cemetery Managers will be attending one day.

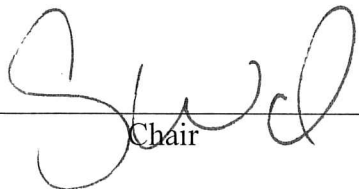
The next ISDOC Executive Committee Meeting will be held on October 1, 2019. Trustee Nelson will attend.

The CAPC Annual Education Seminar and Area Meeting will take place in Ventura, Oct. 11-12th. Trustee Nelson, Trustee Rivers, Chair Ward and Board Secretary, Mary Funk will attend.

The next ISDOC Quarterly Meeting will be held in Fountain Valley on October 24, 2019. Trustee Nelson and Trustee Rivers will attend.

The next regular meeting will be held on **Tuesday, October 1, 2019**, 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 11:57 a.m.



Chair



Secretary



Chair



Secretary