

ORANGE COUNTY CEMETERY DISTRICT

Board of Trustees

May 7, 2024

MINUTES

The regular monthly meeting of the Orange County Cemetery District Board of Trustees was called to order by Vice Chair Marroquin-Waldram at 10:12 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 Kelly Rivers
Roll Call by Board Secretary, Mary Funk.

PRESENT:	Maribel Marroquin-Waldram, Vice Chair	First District
	Kelly Rivers	Second District
	Noel Hatch	Fifth District

ABSENT:	Cynthia Ward, Chair	Fourth 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 (attended remotely)
Larry Ryan, RJM Design Group (attended remotely)
Joe Muller, South Coast Water District Director
James Fisler, OC LAFCO Commissioner
John Lewis
Luette Forrest (attended remotely)

PUBLIC COMMENTS

Mr. Joe Muller, who is a Director on the Board of the South Coast Water District, appeared before the Board to announce that he is running for the OCLAFCO Special District Seat which is coming up for election. Mr. Muller stated that he served on the Dana Point City Council for eight years and served two terms as the City's mayor. In addition, he has served on multiple boards including: the Orange County Transportation Authority, Foothill/Eastern Transportation Corridor Agency, LOSSAN Rail Corridor Agency, Orange County Fire Authority, and Orange County Parks Commission. Mr. Muller stated that he brings a unique perspective and that he knows how to bring a coalition together to create solutions and encourage efficiencies. He added that he would not support forced consolidations or reduced spheres of influence that would limit resources for special districts. He believes it is important that perspectives from both North and South Orange County are represented. He respectfully asked the Board for their support.

Mr. James Fisler, who is the incumbent OC LAFCO Commissioner, also appeared before the Board to request their support in the upcoming election. Mr. Fisler stated that he has served on

	
Chair	Secretary

the OC LAFCO Board for the past 14 years. He served nine years as an alternate and then became a voting member in 2018. Since 2014 he has only missed three meetings and has sat for every agenda item to positively influence decisions that benefited local control. He is continuing to work on changing the LAFCO culture from one that is feared for forced consolidations to an agency that is viewed as a resource for solutions to help make special districts as efficient as possible. He stated he has also worked very hard at relationship building and has made efforts to visit each special district regularly, not just at election time. He said the current Board has three commissioners from North County and Three Commissioners from South County so the representation is very fair as it is. Based on his proven history of communication, outreach and performance, he respectfully asked for the Board’s support.

Trustee Hatch asked what the current culture is like at OC LAFCO. Mr. Fisler stated that it is really quite collaborative. There may be times when there are disagreements, but the Commissioners are usually able to reach a consensus fairly easily. He also stated that there are a variety of backgrounds for the Commissioners, they are not just from water districts.

Mr. Lewis, who was accompanying Mr. Fisler, had no comments for the board.

Ms. Luelle Forrest, who was attending remotely, had no comments for the board.

Mr. Muller, Mr. Fisler and Mr. Lewis all left the meeting at this time.

CONSENT CALENDAR

- A. Approval of Minutes – Regular Board Meeting, April 2, 2024.
- B. Approval of Minutes – Regular Board Meeting, April 10, 2024
- C. Approval of Minutes – Regular Board Meeting, April 29, 2024
- D. Approval of the May 2024 Check Registers (Claims) Nos. 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179,180 and 181.
- E. Quarterly Investment Report – Acceptance of the Quarterly Investment Report for period ending March 31, 2024.

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

MANAGER REPORTS

A. Interments and Interment Space Sales Reports – March 2024

The following interment and interment space sales for March 2024 were reviewed:


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			<u>2023-2024</u>	<u>2022-2023</u>
ANAHEIM	Interments	11 (8 Urn)	64 (49 Urn)	67 (42 Urn)
	Lot Sales	2	29	25
EL TORO	Interments	77 (21 Urn)	686 (225 Urn)	697 (236 Urn)
	Lot Sales	55	691	955
SANTA ANA	Interments	15 (9 Urn)	165 (75 Urn)	129 (79 Urn)
	Lot Sales	4	57	54
TOTAL	Interments	103 (38 Urn)	915 (349 Urn)	893 (357 Urn)
	Lot Sales	61	777	1,034

GM Deutsch stated that Anaheim Cemetery had two space sales in March and conducted eleven interments Year-to-date, both sales and services have been trending evenly with space sales showing four more sales than last year at this time and services showing three interments fewer than the previous year.

El Toro Memorial Park had 55 space sales in March including 30 casket spaces, 16 niches, and 9 in-ground cremation sales. As expected, sales are dropping substantially due to the elimination of pre-need casket sales. In 2023, El Toro had 177 space sales in March. Year-to-date, El Toro has sold 691 interment spaces compared to 955 in the previous year. Staff at El Toro conducted 77 interments in March, of which 56 were for full casket burials and 21 were for cremation placement.

In terms of space availability, El Toro Memorial Park has approximately two years of inventory remaining and it is unlikely that the first phase of the public cemetery development will be in operation that soon. Unfortunately, this means there may be a gap in service for Orange County Residents when full body burial will not be available through the District and they will be forced to use a private cemetery. For some residents, this might not be financially possible.

Santa Ana Cemetery had four space sales in March and staff conducted 15 interment services. Santa Ana Cemetery is well ahead for interment services when compared to the previous year. So far this fiscal year they have completed 165 interments compared to 129 in the prior year. Space sales are holding steady year-to-date with 57 space sales this year compared to 54 space sales in the prior year.

Overall, the District is well behind on interment space sales with 777 space sales year-to-date for the current year and 1,034 space sales in the previous year. The District, however, is slightly ahead on interments conducted with 915 services being held so far this year, compared to 893 in the previous year at this time.

B. Financial Reports – March 2024

Brenda Manriquez reported that the District received about \$850,000 in property tax revenues in April, which will help to offset the decreasing interment space sales. She also reported that a large amount of pre-need is being used. These transactions are not immediately recorded as

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journal entries have to be made to recognize that revenue. The Board should see this in the May report.

For expenses there were no real changes. She did report that the 1900 Account for Professional Services has gone down quite a bit. With the prohibition on pre-need casket sales, there are not as many credit card purchases, so the merchant fees have decreased by about \$12,000. The variance that you see in the 1410 Account for New Cemetery Maintenance is primarily due to the flagpole repair and lighting problems. On a positive note, the Utilities Account is well under budget. With all the rain we have had to use less water and that also means using less electricity to pump the wells.

Brenda Manriquez stated that she is reviewing the variances now to determine if the Economic Uncertainty Fund will be able to cover any shortages.

Brenda Manriquez reported that there were no new equipment purchases through March, but the Board will see payment for the new tractor appear in the April Financial Reports.

There were total charges of \$909,276 in the 4200 Account for Buildings and Improvements. Almost all of this was for new cemetery development, except for about \$9,600 for the gate repairs at Santa Ana Cemetery.

Brenda Manriquez reported that there were no changes of any consequence on the Balance Sheet. Trustee Hatch said there have been no surprises in the financial reports for as long as he can remember. Brenda Manriquez stated that they usually know about any overages and can see them coming. She added that the problem this year, had mostly to do with the first debt service payment that had not been budgeted for.

Trustee Hatch stated that interest rates appear to be steady. GM Deutsch agreed. Brenda Manriquez noted that in a typical year across all four funds, the District will earn somewhere between \$700,000 to \$800,000. This year through April, the District has already earned about \$1.2 million across all four funds and there is still two months to go.

C. Interest Rates – March 2024

GM Deutsch reported that there were few adjustments to rates during the last quarter. There were just a few investments that matured where the District could not match the rate which explains why some of the funds dipped slightly. Trustee Hatch asked if the District was still solid on short term investments. GM Deutsch confirmed that we are still keeping terms short to stay as liquid as possible as we prepare for construction of the new cemetery.

D. Investment Portfolio Changes - April 2024

GM Deutsch said that as investments mature or are called, the District is purchasing new investments that are still hovering right around 5%. As emphasized in the Interest Rates report, the District is still trying to keep terms short. GM Deutsch stated that after this first phase of development is complete the District's Balance Sheet will be very minimal. That when we will get back to the 5-year ladder and start building back up again. Brenda Manriquez added that previously it was better to have long-term investments but with the inverted curve it makes more


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sense to keep terms short. GM Deutsch agreed adding that it doesn't benefit us to go with longer terms right now.

E. Capital Projects Update

GM Deutsch reported that the Capital Projects report shows a summary of all the activity that is occurring regarding the Gypsum Canyon site. He met on April 2nd and April 22nd with the City of Anaheim regarding comments on the CEQA submittals. He met with the Development Team and County Staff on April 11th and April 25th to discuss the latest submittals and Planning Commission and Council review dates. GM Deutsch also met with CalVet and County Staff to discuss revisions to the development layout proposals, updated scheduling, submittal status and future tours or events. GM Deutsch stated that the project is still on track to appear before the Planning Commission in June and the Anaheim City Council in July.

GM Deutsch expects to provide a proposal for the installation of new niches in the Maureen Rivers Memorial Niche Garden at the June meeting as there is a long lead-time on the granite shutters. The proposal will be approved as a part of the 2024-25 fiscal year budget.

GENERAL COUNSEL REPORT

Counsel Quintanilla stated that he did not have any report.

NEW BUSINESS

A. Gypsum Canyon Cemetery Development – Supplemental Geotechnical Services

GM Deutsch explained to the Board that it is not financially feasible for either CalVet or the District to proceed with the full development of both pads. Instead, both the public cemetery and the State Veterans Cemetery will be developed in smaller phases. Because of this, additional testing needs to be done on the site to support a new concept plan, supplemental investigation, and updated corrective grading and cost estimate. Larry Ryan from RJM added that the City of Anaheim does not have in-house staff with the capabilities to review a large-scale grading project like the one we will be undertaking, so they hire an outside geotechnical consulting firm to do peer review. They will go with the most conservative soil characteristics which consequently have far more onerous requirements. By allowing GMU to do additional testing, it will allow the City of Anaheim's geo-technical consultant to base their requirements off of this more accurate information. In the long run, it should save the District money because it will require less remedial work. Vice Chair Marroquin-Waldram asked about the 50% budget. GM Deutsch explained that the costs for the GMU supplemental geotechnical services will be shared between the District and CalVet since both groups will benefit from the work. The total cost is \$203,738. The District's portion will be \$101,869.

MOTION: of Trustee Hatch, seconded by Trustee Rivers and carried by a vote of 3-0 (Chair Ward and Trustee Anderson absent for the vote), approved the proposal with GMU in the amount of \$101,869 out of the Cemetery Development Reserve Fund.

B. Strategic Planning Discussion

GM Deutsch said that he added this to the agenda just in case he has something new to provide to the Trustees. There was no additional discussion on this topic.


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ITEMS FOR FUTURE AGENDAS - None

BOARD COMMENTS - None

ANNOUNCEMENTS

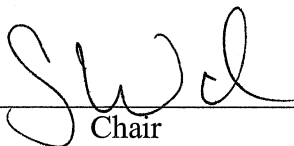
- A. Strategic Planning Meeting (District Office), May 14, 2024, 10:00 a.m.**
- B. Finance & Investment Committee Meeting (District Office), May 22, 2024, 10:00 a.m. – 12:00 p.m.**
- C. Strategic Planning Meeting (District Office), May 22, 2024, 12:00 p.m.**
- D. Memorial Day Programs, May 27, 2024
Santa Ana Cemetery 10:00 a.m.
Anaheim Cemetery 11:00 a.m.
El Toro Memorial Park 11:00 a.m.**
- E. CSDA Fiscal Committee Meeting, May 30, 2024 – 1:00 p.m. (Via Zoom)**
- F. CSDA Professional Development Committee Meeting, June 6, 2024 – 9:00 a.m. (Via Zoom)**

GM Deutsch stated that he will be working on scheduling meetings for Trustees to meet with staff to get their feedback on goals for the Strategic Plan. He stated he hopes to get these scheduled in the next couple of weeks.

GM Deutsch was also excited to report that Senator Thomas Umberg and Ret. Brigadier General Robin Umberg will both be speaking at Anaheim Cemetery’s Memorial Day Program on Monday, May 27th.

The next regular meeting will be held on **Tuesday, May 14, 2024**, at 10:00 a.m., at the Orange County Cemetery District, 25751 Trabuco Rd., Lake Forest, CA 92630.

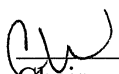
There being no further business, the meeting was adjourned at 11:02 a.m.




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