

ORANGE COUNTY CEMETERY DISTRICT

Board of Trustees

October 1, 2024

MINUTES

The adjourned regular monthly meeting of the Orange County Cemetery District Board of Trustees was called to order by Chair Cynthia Ward 10:15 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 Board Secretary, Mary Funk
Roll Call by Board Secretary, Mary Funk.

PRESENT: Cynthia Ward, Chair Fourth District
Maribel Marroquin-Waldram, Vice Chair First District
Kelly Rivers Second District
Noel Hatch Fifth District (Arrived 10:17 a.m.)

ABSENT: Vladimir A. Anderson Third District

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

ALSO

PRESENT: Steve Quintanilla, General Counsel (Attended remotely)

PUBLIC COMMENTS - None

CONSENT CALENDAR

- A. Approval of Minutes – Regular Board Meeting, September 3, 2024
- B. Approval of the September 2024 Check Register (Claims) Nos. 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, and 48.
- C. Authorization for the November 2024 Check Registers (Claims) Nos. 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82 and 83.

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

MANAGER REPORTS

A. Interments and Interment Space Sales Reports – August 2024

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


Chair


Secretary

			<u>2024-2025</u>	<u>2023-2024</u>
ANAHEIM	Interments	5 (4 Urn)	13 (9 Urn)	15 (12 Urn)
	Lot Sales	3	6	6
EL TORO	Interments	81 (32 Urn)	162 (63 Urn)	154 (49 Urn)
	Lot Sales	44	106	241
SANTA ANA	Interments	18 (12 Urn)	37 (22 Urn)	38 (16 Urn)
	Lot Sales	8	14	18
TOTAL	Interments	104 (48 Urn)	212 (94 Urn)	207 (77 Urn)
	Lot Sales	55	126	265

GM Deutsch stated that Anaheim Cemetery had 3 space sales in August including 1 niche and 2 in-ground cremation spaces. Staff conducted 5 interment services, including four in-ground cremation burials and one full casket burial. Year-to-date, Anaheim has sold 6 interment spaces this fiscal year and conducted 13 interment services.

El Toro Memorial Park had 44 space sales in August including 28 full casket sales 1 infant space, 5 niches and 10 in-ground cremation space sales. Staff conducted 81 interment services including 49 casket services and 32 cremation interments. Of those cremation interments 10 were niche placements, 19 were in-ground burials, and 3 were rose garden interments. Year-to-date, El Toro has sold 106 interment spaces since the beginning of July 2024. In the previous year, El Toro sold 106 interment spaces in August alone for a year-to-date total of 241 space sales in 2023. For interment services, El Toro is ahead of last year’s pace with 162 interments conducted so far this year, compared to 154 in the previous year. The year-to-date cremation rate at El Toro is currently at 38.9%. In terms of remaining space availability, El Toro Memorial Park has approximately 535 full casket spaces remaining and approximately 112 niches.

Santa Ana Cemetery had 8 space sales in August including one casket space, 4 niches, and 3 in-ground cremation space sales. GM Deutsch mentioned that, since we are developing new interment spaces at Santa Ana Cemetery through additional road closures, we are now able to be more flexible in releasing the limited emergency spaces we were holding in reserve. For interment services, staff conducted 18 interments in August including 6 casket interments, 3 niche placements, and 9 in-ground cremation burials. Year-to-date, Santa Ana has sold 14 interment spaces this year compared to 18 in the previous year. Services are right on track with last year’s numbers. The year-to-date cremation rate at Santa Ana Cemetery is at 59.5%.

Overall, the District sold 55 interment space sales this August compared to 115 sales in the previous year. As expected, the year-to-date sales are far behind the previous year, with a total of 126 space sales in 2024 compared to 265 in the previous year. Interments, however, are right on track with 212 interment services conducted in 2024, compared to 207 interments conducted by the same time in 2023. The overall cremation rate for the district, year-to-date stands at 44.3%.


Chair


Secretary

On the Income Statement, El Toro Memorial Park continues to generate the bulk of the revenue. The District did receive a small amount of property tax, but the majority of non-operating revenues were from interest.

B. Financial Reports – August 2024

Brenda Manriquez reported that revenues are looking good. The District is ahead of the budget on interest income, but slightly under on property tax. Collections from the County are a little less than expected for this time year-to-date. As expected revenues from space sales are down compared to last year by \$478,690 and down by \$73,000 in budget to actual. GM Deutsch stated that there is a silver lining in that the slower pace of interment space sales, means the remaining inventory we have will last longer. Brenda Manriquez stated that, on a positive note, pre-need niche sales are up.

For expenses, Salaries and Wages are now under budget. The 1100 Account for Insurance is \$10,227 less compared to the previous fiscal year. This is due to the decrease in the property/general liability insurance for Fiscal Year 2024-25. Brenda Manriquez stated that additional “true-up” invoices are expected later in fiscal year 2024-25. Any other variances are mostly a result of timing of invoices.

Brenda Manriquez stated there were no equipment purchases in August, but we are expecting the delivery of a piece of equipment next month.

There were total charges of \$128,387 in the 4200 Account for Buildings and Improvements. This was mostly for the new cemetery and to replenish our deposits with the City of Anaheim. There were also some El Toro invoices for \$15,488 for the wrought iron fence work.

Brenda Manriquez stated the District also made its first payment this fiscal year on the loan repayment which will show on the next financial report.

Brenda Manriquez also stated that her Accounting Technician, Diana Vosler, will be out for the next month on vacation, so the financial reports may not be as detailed.

Chair Ward asked if there was any explanation from the County as to why tax collections are down. Brenda Manriquez stated that the County has not said anything. Brenda Manriquez added that this has never been a problem in the past and could be people are just waiting longer to pay their taxes. Brenda Manriquez stated that she is not concerned, but added she would keep an eye property tax revenue.

Trustee Hatch asked if there was any remaining threat from the wildfires that have been plaguing Southern California. GM Deutsch said that for Gypsum Canyon, our insurance does not cover undeveloped property. If a wildfire came through, we would stand to lose the equipment contained in the two storage units kept on the property. GM Deutsch said he could inquire about fire insurance, adding that we would probably be required to do some type of mitigation for fire suppression and that all structural materials would have to be non-combustible. He also stated that cemeteries are a natural fire break. Brenda Manriquez also stated that workers on the property will be required to carry fire extinguishers with them to quickly extinguish any errant sparks.


Chair


Secretary

C. Investment Portfolio Changes – September 2024

GM Deutsch stated that the Feds recently dropped interest rates by 50 basis points, which limits the investments we can choose from. Investments we are buying are now in the 4% to high 3% range. The inverted curve we have been seeing for so long is now starting to flatten out. For the Endowment Principal Fund, it may be wiser to stick with terms in the 2 to 3-year range, rather than pushing out to 5 years. Brenda Manriquez added that the Feds are supposed to announce another cut, bringing rates down to the mid 3% range.

GM Deutsch stated that in the next six months the UBS Endowment Principal Fund will have \$105,000 coming due and the UBS Endowment Income Fund will have about \$2 million maturing. The Stifel Endowment Principal Fund will have about \$205,000 coming due and the Stifel Endowment Income Fund will have just over \$1 million maturing. The Stifel Pre-Need Fund will have about \$1.5 million coming due.

For pooled rates, we are seeing the gap narrow with the other funds starting to get closer to California Class.

D. Capital Projects Update

GM Deutsch stated that the Capital Project Reports recaps all of the meetings that have taken place in September.

GM Deutsch stated that he met with Assemblymember Sharon Quirk-Silva on September 5th, and he met with the design team twice during the month. GM Deutsch and Larry Ryan with RJM also gave a presentation to the City of Anaheim Senior Citizens Advisory Committee to update them on the project. On September 23rd, GM Deutsch met with Nick Berardino to provide a tour to a community member who had donated \$10,000 for the Veterans Cemetery. After the tour was finished the resident said they were interested in donating more. That same day GM Deutsch also met with Supervisor Wagner and James Campbell to provide an update on the cemetery project.

At Santa Ana Cemetery staff have removed the asphalt on one road closure and have almost completed the final grading. The second road closure is about half-way done. Staff is just starting to break up asphalt on the last road closure.

At El Toro Memorial Park all of the wrought iron fence repair is now completed. We also determined that we will not need to remove pavers in the Maureen Rivers Memorial Niche Garden in preparation for the installation of new niches around the Southern California Edison vault. The existing footing will be sufficient. The deposit on the new niches has been paid and we expect to start the installation in January or February.

On the Fixed Asset report, we are expecting the piece of equipment that has been on back order to be delivered sometime next month. Later in this meeting we will be asking the Board to authorize the purchase of two additional pieces of equipment both for Santa Ana Cemetery.


Chair


Secretary

E. Special District Risk Management Authority Award

GM Deutsch reported the District received a Certificate of Acknowledgement from the Special District Risk Management Authority because over the last five years the District has maintained a record of zero paid claims pertaining to property and liability. This award also provides the district with three extra bonus credit incentive points that results in a reduction in the annual insurance premium.

Unfortunately, three days later, El Toro Memorial Park experienced a break-in in a storage room in the maintenance yard. The break-in occurred early in the morning through a door that did not have a security contact sensor. Several pieces of small equipment were stolen including gas powered trimmers, a chainsaw, and a couple of other pieces of equipment. Trustee Hatch asked if that was the first break-in that has occurred at El Toro. GM Deutsch said that we have never had a break-in, but we did have some juveniles who were playing with matches accidentally burn down a maintenance building. If we replaced everything that was stolen in this incident it would cost about \$10,000 to \$15,000. Trustee Hatch asked if the theft could have been for resale. GM Deutsch thought that was likely, especially since you can no longer buy gas powered equipment anymore.

F. Essential Leadership Skill Certification

GM Deutsch explained that CSDA is now offering a new certification titled, “Essential Leadership Skills Certificate”. The certification requires 35 hours of coursework taken over 6 different modules including training on effective communication, organizational development, financial management, human resources management, leadership, and Special District Laws. Once applicants begin the coursework, they have two years to complete it. GM Deutsch reported that Assistant General Manager has completed one module already and intends to obtain the certification. She is also interested in obtaining a Human Resources certification as well.

GENERAL COUNSEL REPORT

Counsel Quintanilla had no General Counsel report to share.

GM Deutsch suggested that the Board move to New Business, Item B.

NEW BUSINESS

B. OCERS Employer Contribution Discount for Fiscal Year 2025-26

GM Deutsch said that every year OCERS offers a discount to the employer’s contribution payments. The approved discount rate this year is 7%. We are earning only about 4% with the County, so we will be better off financially to take the OCERS 7% discount. OCERS is able to get a higher rate of return because they have more flexibility in their investments. The funds will not come out of the budget, but will be a lump sum payment into a pre-paid account and a portion comes out every pay period. The amount that we pay to OCERS is based on an estimate of projected salaries. More than likely there will be a bit of an overpayment, but any overpayment will result in a credit toward 2026-27 fiscal year future payments.


Chair


Secretary

Chair Ward stated that she likes the idea of the District’s pension being fully funded. GM Deutsch stated that this is not paying off the District’s UAAL. It is only pre-paying some of the employer’s anticipated contribution payments for 2025-26. Brenda Manriquez stated that in terms of the UAAL, we are about 97% fully funded.

MOTION: of Trustee Hatch, seconded by Vice Chair Marroquin-Waldram, and carried by a vote of 4-0 (Trustee Anderson 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 \$260,795.35 to OCERS.

C. Equipment Purchase Approval

GM Deutsch reported that the District would like to order two pieces of equipment for Santa Ana Cemetery: a new mower and a new Pro-Gator. Collectively, that equipment purchase exceeds the \$50,000 limit allowed for the General Manager to approve independently, so staff is bringing it to the Board for their approval.

GM Deutsch explained that the ProGator has dumping capabilities and will help with our emission requirements. The mower is replacing an older piece of equipment that is no longer reliable. The life of the mowers are about 7 to 10 years and we try to make them last as long as possible before replacing.

MOTION: of Trustee Hatch, seconded by Vice Chair Marroquin-Waldram, and carried by a vote of 4-0 (Trustee Anderson absent for the vote), approved the purchase of the Open Market Exmark 60-inch Lazer Mower in the amount of \$38,354.69 and the John Deere ProGator 2030A in the amount of \$48,804.28 to Deere & Company and authorize the General Manager to execute the purchase orders.

ITEMS FOR FUTURE AGENDAS - None

BOARD COMMENTS - None

ANNOUNCEMENTS

GM Deutsch reminded the Trustees that CAPC will be holding its Annual Education Seminar & Area Meeting on October 11th and 12th in San Luis Obispo. Vice Chair Marroquin-Waldram is planning to attend.

Chair Ward will be leading a historical tour at Anaheim Cemetery in October for the students at Gilbert High School in Anaheim.

Dia de los Muertos “To Go” events will start at 3:00 p.m. at Santa Ana Cemetery and El Toro Memorial Park until supplies run out.

Anaheim Cemetery will host the annual Dia de los Muertos Celebration at Anaheim Cemetery on Saturday, November 2nd from 5 p.m. to 7 p.m.


Chair


Secretary

El Toro Memorial Park will host a Veterans Day program at El Toro Memorial Park on Monday, November 11, 2024 starting at 11:00 a.m. The keynote speaker will be Captain Tim L. Daniels (Ret.), United States Navy.

The Board adjourned to Closed Session at 11:13a.m.

CLOSED SESSION

- A. Public Employee Performance Evaluation Pursuant to Government Code Section 54957.
Employee’s Title: General Manager
- B. Labor Negotiations – Unrepresented Employee
Pursuant to Government Code Section 54957.6(a)
Unrepresented Employee: Tim Deutsch, General Manager
District Designated Representative: Steven B. Quintanilla, General Legal Counsel
- C. Conference with Legal Counsel – Potential Initiation of Litigation
Pursuant to Government Code Section 54956.9
One Potential Case

The Board reconvened from Closed Session at 12:05 p.m. Vice Chair Marroquin-Waldram left the meeting at this time. Counsel Quintanilla stated that no reportable action took place.

NEW BUSINESS

- A. General Manager Employment Agreement Amendment (Oral Report)

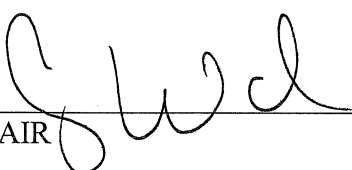
Counsel Quintanilla announced that the Board of Trustees completed their annual performance review of the General Manager, Tim Deutsch, and offered an 8% increase in annual salary to be retroactive to June 28, 2024 for Fiscal Year 2024-25. Counsel Quintanilla announced that GM Deutsch has accepted the offer.

MOTION: of Trustee Hatch, seconded by Trustee Rivers, and carried by a vote of 3-0 (Vice Chair Marroquin-Waldram and Trustee Anderson absent for the vote), approved the General Manager’s Employment Agreement for Fiscal Year 2024-25 to include an 8% increase in annual salary for a total annual salary of \$206,294.40, to be retroactive to June 28, 2024.

GM Deutsch thanked the Board for their encouragement and support.

The next regular meeting will be held on **Tuesday, November 5, 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 12:08 p.m.




 CHAIR



 BOARD SECRETARY



 Chair



 Secretary