

Kern County Cemetery District Minutes for

November 21, 2024

**Regular Board Meeting
Shafter Memorial Park Office
18662 Santa Fe Way, Shafter, CA**

Call to Order: Call to Order at 12:07 pm by Chairman Braun. Chairman Braun led the flag salute and invocation.

Roll Call: In attendance was Barry Braun, Chairman of the Board; Jerry Ezell, Secretary of the Board; Carl Olsen, Vice-Chair, Absent.

Employees: Eliza Caudillo, District Manager; Denton Carender, Superintendent; Alicia Reveles, District Secretary.

Visitors: Chris Albert and Kevin Harmon

Public Comment: None

Consent Calendar: Includes the approval of the agenda for the current meeting and minutes of the regular Board meeting for September 2024. The payroll warrants for 24/19 through 24/22 were approved. Vouchers, checks, and financial reports for September and October 2024 were approved. This was done by approval of the consent calendar by motion of Trustee Ezell and seconded by Trustee Braun; 2 ayes, 0 noes, 1 absent.

Management Update

- We had 16 services in Shafter and 8 services in Wasco for the month of September 2024. This gives us 67 services for the fiscal year to date. We have had 7 cremation services in Shafter and 1 in Wasco for a total of 8 cremation services. We are at a 12% cremation rate.
- We had 13 services in Shafter and 11 services in Wasco for the month of October 2024. This gives us 91 services for the fiscal year to date. We have had 14 cremation services in Shafter and 2 in Wasco for a total of 16 cremation services. We are at an 18% cremation rate.
- The Holtermann Lease was finalized and signed by Robert Holtermann. The Board authorized Trustee Braun to sign as the District representative. Mr. Holtermann will be pulling out the existing trees in the near future.
- The Annual Education Conference was held in San Luis Obispo, California. Manager Caudillo, Secretary Reveles, Superintendent Carender, Trustee Ezell, and Trustee Braun attended. In a continuing joint venture between CSDA and CAPC, this year's seminar featured the third of a series of four curriculum-based courses designed specifically for special district trustees and managers as members of the governance team.

3rd Quarter Review of Investments

The Investment Manager presented the Board with a letter explaining the investments of the District, including the Stifel, the County, and the WestAmerica investments. As of September 30, 2024, the District has \$8,620,141 as a combined investment of all accounts. The District has \$4,684,986 with the County of Kern, \$3,681,535 with Stifel, and \$253,620 with WestAmerica Bank. The investments with Stifel have been made in accordance with the requirements set forth by the State of California and our Investment Policy. Manager Caudillo, as investment manager, "Acknowledged that the district has ample liquidity to meet its obligations for the next 6 months".

The amount that is in each Kern County Cemetery District account is as follows:

- Maintenance and Operation (M&O) \$1,466,503
- Endowment Care (principal and interest) \$1,438,781
- Contracts \$1,706,270
- Capital Projects \$ 73,432
- Stifel – Endowment Care \$1,006,536
- Stifel – Contract Fund \$2,674,999
- WestAmerica Bank \$ 253,620

The motion was made to receive and file this information and make it available to any who may wish to review its contents by Trustee Ezell and seconded by Trustee Braun: 2 ayes, 0 noes, 1 absent.

Reinvestment of Contract Fund

The Stifel Contract Fund account has accrued enough interest to accommodate a \$50,000+ investment. The Investment Committee met on October 18, 2024, to discuss investment options for this accrued interest. The committee selected the US Treasury Bond at a 5.25% coupon, Maturity of 02/29, and a Y-T-M of 3.625%. This investment was made in compliance with Government Code §53601 and the District's Investment Policy.

No action, discuss, and report only.

Reinvestment of Endowment Care Fund

Several investments within the Endowment Care Fund either matured or were called.

Called:

The Farmers & Merchants Bank CD was called on September 30, 2024, 5.30%, \$55,000.

Matured:

Broward County Bond on October 1, 2024, at 2.070%, \$50,000.

Ally Bank Certificate of Deposit on October 7, 2024, at 4.20%, \$50,000.

Federal Farm Credit Bank Bond on October 7, 2024, at 4.810%, \$65,000.

The Investment Committee met on October 18, 2024, to discuss options for the matured/called investments. Sandra Wheeler, the Stifel Advisor, provided several available investment options. The committee authorized the purchase of the American Honda Fin. Corporate Bond, with a coupon for 4.90%, a Y-T-M of 4.203%, and a maturity date of 3/13/2029, callable on 03/29. The committee also selected the San Diego Gas & Electric Corporate Bond with a coupon of 4.95% and a Y-T-M of 4.097% to mature on 08/15/2028, Callable 07/28.

No action, discuss, and report only.

Reinvestment of Contract Fund

The Stifel Contract Fund account had two investments called. The JP Morgan Chase Note for \$110,000 was called on October 31, 2024. The Toronto Dominion Bank for \$150,000 was called on November 17, 2024. The

District policy requires us to diversify our investments as much as possible within the confines of the law.

Sandra Wheeler, the Stifel Financial Advisor, provided several investment options. The Board chose to re-invest the contract fund monies equally between two Corporate Bonds: The Realty Income Corporation Bond, with a coupon for 4.75%, a Y-T-M of 4.513%, and a maturity date of 2/15/2029, callable on 01/29; and the Pacificorp Corporate Bond, with a coupon for 5.10%, a Y-T-M of 4.561%, and a maturity date of 2/15/2029, callable on 01/29. These exact options may not be available after the Board authorizes the investment. If the selected options are unavailable, Sandra Wheeler will re-invest the funds as close to the Board's authorized selection as possible.

The motion was made to invest the \$260,000.00, plus accrued interest, into the following investments: Realty Income Corporation Bond, with a coupon for 4.75%, with a Y-T-M of 4.513%, and a maturity date of 2/15/2029, callable on 01/29. The Pacificorp Corporate Bond, with a coupon for 5.10%, a Y-T-M of 4.561%, and a maturity date of 2/15/2029, callable on 01/29. If these investments are no longer available, the next most similar investment would be acceptable. The motion was made by Trustee Ezell and seconded by Trustee Braun: 2 ayes, 0 noes, 1 absent.

2023-24 Audit Review

Chris Albert presented the 2023-2024 draft audit as done by Albert and Associates. He reviewed the status of our funds and described the Endowment Care Spendable and Non-spendable amounts. Chris recommended transferring available funds to replenish the Capital Projects account held in the County. Chris reviewed the Balance Sheet and the Statement of Revenues, Expenditures, and Changes in Fund Balances as of June 30, 2024. Chris stated that the audit did not identify any deficiencies in internal control that could be considered a material weakness.

The motion to accept the 2023-2024 draft audit and authorize the forwarding of the audit to the County Auditor-Controller was made by Trustee Braun and seconded by Trustee Ezell: 2 ayes, 0 noes, 1 absent.

Ruettgers and Schuler Architect

During the August 2023 Board Meeting, the Board reviewed bids from Ruettgers and Schuler and LAV/Pinnacle architectural companies. The Trustees authorized Ruettgers and Schuler for the development of Section B. Kevin Harmon attended the meeting and presented drawings of the proposed development. The Trustees, Manager Caudillo, and Superintendent Carender reviewed the drawing and discussed proposed changes to the plans with Mr. Harmon. Topics discussed included the road extension on Oleander Street and the center divider; omission of trees on the road extension, exact property line to the east of the cemetery and possible names for the two new streets; sidewalk, benches, gazebo, and ossuary with structure for names; development of parking area with DG; the reservoir and sump needs. Mr. Harmon will attend a future meeting to present the amended plans.

Received direction only. No action was taken at this time.

Approval of Biennial Conflict of Interest Code

California Code section 87306.5 requires that every local agency review their Conflict-of-Interest Code every other year. This review starts with each body reviewing their current code and making any necessary adjustments. The County of Kern Board of Supervisors are our code reviewing body, and our code with any changes will be sent to them.

A motion was made upon the Board's discussion of the current code, and it was determined that it should stay the same, and no changes were deemed to be necessary at this time by Trustee Ezell and seconded by Trustee Braun: 2 ayes, 0 noes, 1 absent.

Trustees Comments

Trustee Olsen: Absent.

Trustee Ezell: No comments.

Trustee Braun: No comments.

Adjournment

The meeting was adjourned at 2:58 pm by Chairman Braun. The next regular meeting is scheduled for December 19, 2024.

Signed,

Eliza Caudillo
District Manager