

LAFCO

Meeting Date: 07/27/2017

Information

SUBJECT

Consider approval of Resolution 2017-04 adopting the Municipal Service Review (MSR) for the Public Cemetery Districts and determining that an update to the districts' spheres of influence is not necessary (LAFCo No. S-048)

RECOMMENDED ACTION

1. Receive staff presentation on the public cemetery districts' MSR/SOI.
2. Open the Public Hearing for public comments on this item.
3. Close the Public Hearing.
4. Consider the information presented in the staff report and during the Public Hearing. Discuss and direct staff to make any necessary changes.
5. Approve Resolution 2017-04 adopting the Municipal Service Review (MSR) for the Public Cemetery Districts and determining that an update to the districts' spheres of influence is not necessary.

FISCAL IMPACT

No fiscal impact. The LAFCo FY 2016/17 budget included staff costs to complete the MSR in-house and GIS consulting services for the district maps.

REASONS FOR RECOMMENDED ACTION

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH Act), is LAFCo's governing law and outlines the requirements for preparing periodic Municipal Service Reviews (MSRs) and Sphere of Influence (SOI) updates. MSRs and SOIs are tools created to empower LAFCo to satisfy its legislative charge of "discouraging urban sprawl, preserving open space and prime agricultural lands, efficiently providing government services, and encouraging the orderly formation and development of local agencies based upon local conditions and circumstances".

An MSR is conducted prior to, or in conjunction with, the update of an SOI. LAFCos are required to review an agency's Sphere of Influence every five years. An MSR evaluates the structure and operations of district services and includes a discussion of the capability and capacity of the district to ensure the provision of municipal services to the existing service area and any future growth of the district's boundaries. The SOI indicates the probable future physical boundaries and service area of a district and lays the groundwork for potential future annexations.

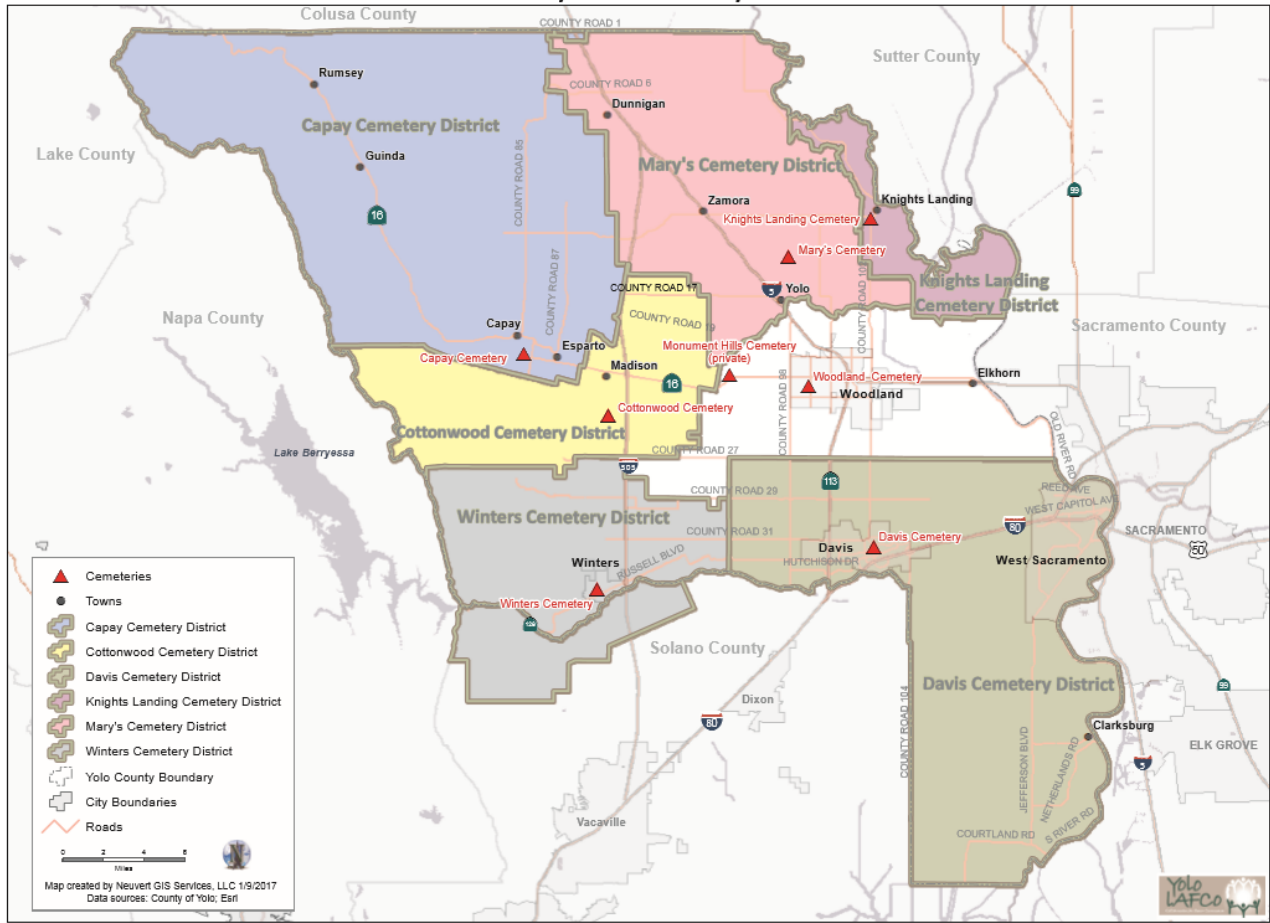
Yolo LAFCo staff utilizes a checklist format for MSRs that allows staff to streamline the assessment of each district's municipal services. Based on the findings of the MSR checklist staff can recommend whether a SOI update is warranted. Staff conducted an MSR for the 6 independent Public Cemetery Districts in Yolo County, and recommends that no changes to district SOIs are needed at this time.

BACKGROUND

Overview

Yolo County encompasses 1,024 square miles with a total population of 218,896 according to the California Department of Finance latest estimates. Six public cemetery districts provide cemetery services to Yolo County and they are formed as independent special districts. All of the cemetery districts were formed in the 1920's, except Winters which was formed in 1941. However, the actual cemeteries were all established much earlier and all have burials dating back to the mid 1800's. The cemetery burials in the county include veterans from every United States war (including the Revolutionary War) and include survivors from the Donner Party.

Yolo County Cemetery Districts



The Davis and Winters public cemetery districts serve the incorporated cities (except Woodland) and are relatively busy operations, performing approximately 100 and 40 internments per year respectively; and each have full time staff to support these services. The Woodland City Cemetery is maintained and operated by the City of Woodland, is not formed as an independent special district, and therefore, is not included in this MSR.

The other four public cemetery districts are more rural in nature serving the unincorporated areas, performing 1-20 burials per year. Services are provided with a part time secretary/clerk and either contract out grave digging services or the mortuary arranges for grave digging services. For the rural districts in particular, work on the board or staff is generally a "labor of love" with significant personal attachment to the cemetery.

Table 1. Yolo County Cemetery Districts

	Capay	Cottonwood	Davis	Knights Landing	Mary's	Winters
District Area (sq. miles)	285	99	241	34	159	123
Cemetery Acreage Developed	12	5	17	6.2	6	13.5
Approximate % Full (Developed Area)	50-75%	30%	33%	70%	85%	75%
Additional Acreage Available	5	0	11	<1*	0	2.2
Average Internments Per Year	20	1-3	100	8	10	30-40

*TBD - Lot line adjustment and new cemetery map in process

Cemetery districts are funded through property taxes and fees directly charged for services. Table 2 provides a comparison among the districts of their revenues and expenditures for fiscal year 2015/16

Table 2. Cemetery Districts FY 2015/16 Operating and Endowment Fund Comparison

	Capay	Cottonwood	Davis	Knights Landing	Mary's	Winters
Operations Fund						
Total Revenue	\$83,001.70	\$22,251.56	\$535,665.83	\$34,417.58	\$52,423.52	\$373,269.90
% of Revenue From Prop Taxes	77%	95%	36%	86%	63%	57%
Total Expenditures	\$59,739.12	\$15,343.35	\$553,265.26	\$20,314.81	\$86,697.77	\$302,396.05
Revenue Less Expenditures	\$23,262.58	\$6,908.21	\$9,400.57	\$14,102.77	\$(34,274.25)	\$70,873.85
Operations Fund Balance	\$205,451.39	\$49,973.07	\$294,653.38	\$108,764.79	\$94,216.00	\$457,724.79
Endowment Fund						
Non-spendable - Endowment	\$110,025.94	\$10,830.19	\$662,149.84	\$39,672.31	\$42,578.11	\$239,588.62
Fund Balance Available	\$57,970.97	\$7,165.19	\$402,334.66	\$18,134.85	\$1,246.16	\$106,346.27
Endowment Fund Balance	\$167,996.91	\$17,995.38	\$1,064,484.50	\$57,807.16	\$43,824.27	\$345,934.89

Source: Yolo County Department of Financial Services Fiscal Year 2015/16 INFOR Database

Overarching Issues

Yolo County recently implemented a new financial system that has been a struggle for everyone (even the County) to learn and develop easily understandable financial reports. The system has proven so difficult that County staff must act as the intermediary for the special districts and they cannot have direct access to the system as they used to. The reports are more cumbersome to get, more difficult to understand and the entire process takes more of everyone's time. The full-time urban cemeteries seem to be handling this additional process more easily and the part-time/volunteer rural cemeteries are finding it more a significant burden. The financial system issues will get better with time as better processes and reports are developed, and the County is well aware and working hard on the problems. And just this week, the Department of Financial Services (DFS) created a single point of contact for each special district which will help the cemetery districts navigate DFS more easily.

Another issue that affects most of the cemetery districts is the DFS Internal Auditing Division (IAD) financial review/audit for each district (the Davis Cemetery District performs its own). The County has performed financial review/auditing services for five of the cemetery districts historically. The IAD's process has gone beyond a financial review and extended into day to day operations. The review, with some districts in particular, has often created a significant amount of tension. LAFCo staff reviewed the IAD reports for each district and included those recommendations that were relevant and not already implemented by each district. In general, IAD staff have significant concerns regarding the operations of the rural cemetery districts. However when LAFCo staff considers the issues cited by IAD, the district's budget (i.e. liability/risk), the number of internments performed, and reviews the district operations with a common sense approach, LAFCo does not share these concerns. Considering the small size of the districts' budgets, each appears to be operated conscientiously to the best of its abilities/resources.

The County has indicated that the IAD resources need to be directed within the County and it can no longer perform the cemetery district audits going forward. Government code allows for the County to contract out financial reviews/audits instead and charge the districts for those costs. Considering the previous issues and tension, staff suggests that the County releasing a consolidated request for proposals (RFP) for a shared audit with costs apportioned by district revenue, would be better for both the districts and the County. In a meeting with Howard Newens, the Director of Financial Services, he indicated that his department would move forward with an RFP, but LAFCo staff is unsure of the timing. The Capay Cemetery District in particular hasn't had a review performed in 8 years (while 5 year cycles are the maximum allowed by law), so LAFCo recommends that DFS move forward with its RFP soon.

Many of the cemetery districts also have an MSR recommendation regarding benefiting from some capital improvement planning. Some districts would cite projects that needed completion, such as new sprinkler systems, building improvements, or even replacing equipment, but have not done the planning and setting aside of funds to bring the given project to fruition.

Another common issue for the four rural cemetery districts is that the district operations are handled part time out of someone's home. It's not practical or feasible for these districts to maintain offices, which is perfectly understandable. The concern is that the public records become vulnerable to damage or loss, so the MSR includes recommendations for districts to do the best they can to either back up files, clearly mark them, store in a fire-proof safe, etc. In the last 6 years, records have been lost due to house fire, staff turnover, and records inadvertently thrown away after a board member's death. There's only so much that can be practically done to safeguard records, but the recommendation asks the districts to give this issue thoughtful consideration and do what they can.

In terms of transparency, the Davis Cemetery District is the only cemetery district that has a website. The California Special District's Association has partnered with StreamlineWeb, which provides a fully hosted and supported website template designed especially for special districts for a monthly service fee that varies according to its annual revenue, ranging from \$600-\$1,200 per year (for districts with annual operating revenues ranging from \$15,000 - \$500,000 per year). Considering LAFCo's upcoming efforts to conduct web transparency report cards for all cities, Yolo County, JPAs and special districts within Yolo County, staff included an MSR recommendation recommending the cemetery districts consider websites.

There are also recommendations for some districts regarding making improvements to recordkeeping, most commonly cross referencing plot payments to deeds, documenting non-resident eligibility and transferring interment rights.

Opportunities for shared services are limited as the operations are rooted at the cemeteries themselves which are geographically spread out. The urban cemeteries (Davis and Winters) have higher volume operations which justify full time staff. The rural cemetery districts' only staff members are a part time secretary/clerk, so there is not much cost savings in sharing staff. And relative to the resources each has, they are generally doing a good job. Landscaping and grave digging services are already contracted out, and sometimes with the same service provider. Especially for the rural districts, the board members serve purely on a volunteer basis and usually have a

personal connection to family members buried at the cemetery. Staff's analysis suggests that consolidated operations would not result in significant cost savings and may sever the board member's personal connection with the cemetery, resulting in less personal or contentious services and/or caretaking of the cemetery. The MSR does contain recommendations to consider shared secretary/clerk or landscaping services if and when the need arises if it indicates cost savings to the district.

Issues Unique to a District

Knights Landing has a unique issue where it handled the cremated internments for the indigent population managed by the County Public Administrator. According to the IAD review, the burial permit records held at the District are not entirely accurate because sometimes the County Public Administrator would instead release cremated remains to family members instead of interring them at the cemetery as indicated in the burial record. Therefore, the MSR contains a recommendation that the County Public Administrator should reconcile the burial records with the District for accuracy.

Regarding fees for plots/services, the Cottonwood Cemetery District should consider raising its fees as they are noticeably lower than the other rural cemetery districts in the county. A fee survey conducted by the California Public Cemetery Alliance is included in the MSR appendices and includes other districts outside the county, which can be used for reference. In addition, the Knights Landing Cemetery District has a lower fee in its fee schedule for internments from the town of Robbins (in Sutter County) as compared to other non-resident internments, which does not appear to be justified. The MSR also suggests that the Winters Cemetery District compare its fees to Davis and Woodland cemeteries to determine if an increase would be appropriate.

Knights Landing Cemetery District has also had chronic issues with being able to keep all three board member seats filled. One board member attends reliably, while the other did not appear to, resulting in quorum issues. A new board member has been recently appointed to the vacant seat, which is good news, but it's a recurring issue in Knights Landing with a small community when there are cemetery, fire, and community services district board seats to fill. LAFCo has suggested that some of the various board meetings could be moved to a common day/time so that community members might be able to serve on multiple boards.

The Mary's Cemetery District holds its board meetings in the secretary's private home. All notices are posted at the cemetery chapel and it is perfectly legal, however, the MSR suggests that the board should consider a public meeting location for perception purposes. But considering the lack of public participation in cemetery board meetings, LAFCo staff would also understand if the board decides that the additional complication of holding their meeting in another location may not be worth it.

Cemetery District/Public Involvement

LAFCo staff met with the staff and/or board of each cemetery district, sometimes on multiple occasions, and conducted site visits of the cemeteries. Each district was provided an opportunity to review and comment on the administrative draft report before it was made public. Staff also met with the Board of Supervisors District 5 staff since all of the rural districts are located in District 5. Staff also met with the County's Internal Auditing Division staff regarding the audits/financial review.

A notice of availability of the Draft MSR/SOI was published in the Davis Enterprise, Woodland Democrat and Winters Express and sent to all the affected agencies, which includes most in the county. No public comments have been received so far and any correspondence subsequent to this report will be provided to the Commission in a supplemental packet.

There have been a few minor edits to the MSR which have been formatted in **added text** and ~~deleted text~~ so its clear what has changed as compared to the public draft.

CEQA

LAFCo staff and counsel have reviewed the MSR pursuant to the California Environmental Quality Act (CEQA) and determined that an MSR is not a "project" per CEQA Guidelines Section 21065. An MSR is not an activity which may cause a direct or indirect physical change in the environment.

Attachments

ATT A-Resolution 2017-04

ATT B-Errata Draft MSR/SOI for Public Cemetery Districts

Form Review

Inbox

Christine Crawford (Originator)
Christine Crawford (Originator)
Form Started By: Christine Crawford
Final Approval Date: 07/13/2017

Reviewed By

Christine Crawford
Christine Crawford

Date

07/11/2017 11:20 AM
07/13/2017 04:23 PM
Started On: 07/05/2017 03:49 PM