

August 28, 2006

The Honorable Judge Rodney Melville
Superior Court
312-M East Cook Street
Santa Maria, CA 93455-5165

Response of the Santa Maria Cemetery District to the Santa Barbara County Grand Jury Findings and Recommendations.

The Honorable Judge Rodney Melville:

During its regular meeting of Monday, August 28, 2006, the Board of Trustees of the Santa Maria Cemetery District (the District) adopted the following responses to the Grand Jury recommendations contained in the report entitled: WATER AND CEMETERY DISTRICTS, Do Special Districts Need Watching?

RESPONSES TO FINDINGS AND RECOMMENDATIONS

FINDING 1: Water and cemetery district board members do not have adequate recent training to make informed decisions on many of the issues applicable to their districts.

Response: The District agrees with this finding as it pertains to the time period under review by the Grand Jury but notes that improvements have been made since that time. All District Board members will have completed training mandated by AB1234 within the allowed time limit.

RECOMMENDATION 1: Water and cemetery district Board members should receive training, by January 1, 2007, in all subjects mandated by Assembly Bill 1234 (for example ethics), public agency accounting, how to read balance sheets and statements of activities, budget management, employment law, conflict of interest, and law relevant to district operations (for example, Brown Act Open Meetings Law.)

Response: This is being implemented. The Board will be attending AB1234 to be offered by CSDA in October. Any additional training for District Trustees will occur as they become available.

FINDING 2: Water districts generally follow better business practices than cemetery district.

Response: The District disagrees with this finding as it pertains to the District during the time period under review by the Grand Jury. The District follows usual and customary practices in conducting cemetery business and operations. Our Financial Director attends board meetings monthly and reviews all expenditures and revenues.

RECOMMENDATION 2: Water and cemetery district general managers should receive training , by January 1, 2007, in all subjects mandated by Assembly Bill 1234 (for example, ethics), public agency accounting, how to read balance sheets and statements of activities, budget preparation and management, employment law, conflict of interest, and law relevant to district operations (for example, Brown Act Open Meetings Law).

Response: This recommendation is being implemented. The District manager will be completing training mandated by AB1234 in October 2006. Further training will continue as it becomes available through seminars.

FINDING 3: Cemetery districts have inadequate accountability mechanisms (for example, missing written procedures, no apparent operational oversight and little financial oversight).

Response: The District disagrees with this finding as it pertains to the District during the time period under review by the Grand Jury. The District has an independent financial audit annually, a Financial Director who is a licensed CPA with a Bachelor of Science Degree in accounting, who attends 1 board meeting monthly. All revenues and expenditures are reviewed monthly by the Financial Director as well as the Board of Trustees. The District also has an employee manual, a sexual harassment policy and an MOU for our employees who are under union contract.

FINDING 4: The Board of Supervisors does not supervise cemetery district board members or timely exercise its power to remove problematic district board members; this results in open-ended terms for cemetery board members, an insular culture, and decision-making based on whim.

Response: The District agrees with this finding as it pertains to the District during the time period under review by the Grand Jury but notes that improvements have been made since time. The Board of Supervisor is now more actively involved in District oversight. The District's monthly meetings are open to both the public as well as to the Board of Supervisors and their assistants. The BOS now receives all District board meeting agendas and minutes and all financial reports reviewed in those meetings.

RECOMMENDATION 4: Public noticing of water and cemetery special district board meetings should meet or exceed Brown Act requirements, and the time and place of noticing should be explicitly printed on the meeting agenda.

Response: This recommendation has been implemented, we post District agendas in a conspicuous place at the office, with a time and place of meeting location. Public noticing of the Board's agenda meetings currently exceed Brown Act requirements.

FINDING 5: For cemetery and water districts, barriers to public participation include limited and nonexistent e-mail and fax access, spotty Board meeting noticing and minutes, and for cemetery districts, impediments to administratively raising tenure and misconduct concerns (for example, the information gatekeeper role of the general manger).

Response: The District disagrees with this finding as it pertains to the District during the time under review by the Grand Jury. We have been available via fax and e-mail for well over 10 years. We responded to the Grand Jury request via fax and e-mail the first business day it was received, we check the district's fax and email daily. We have copies of all the district's agendas and minutes and supplied those to the Grand Jury upon their request. Written agendas are always posted in a timely manner in a location frequented by the public.

RECOMMEDATION 5: Water and cemetery special districts should have fax numbers and e-mail numbers, and should check their e-mail daily.

Response: This recommendation has been in effect for over 10 years. The District has a fax number and e-mail address, and both are checked regularly throughout business hours. The District maintains an active and open communication policy with the public at all times.

FINDING 6: Given that cemetery district board members cannot be voted out of office and are not being monitored by an oversight agency, it is up to the public to monitor district performance.

Response: The District disagrees with this finding in so far as it implies that the Board of Supervisors does not exercise oversight over the District. The 5th District Supervisor attended a board meeting in May 2006. The District faxes the BOS copies of all meeting agendas and minutes and any financial reports reviewed during the meetings. The District agrees that the public should be encouraged to participate in District business.

RECOMMENDATION 6: Water and cemetery special districts should develop written policies on complaint processing, expenditure processing, board action, employment, record retention, and, for cemetery districts, removal of board members for cause.

Response: The District already has many of these policies in place, but will review current policies and implement any changes necessary.

FINDING 7: For cemetery districts, although measures that are both feasible and widely recognized as good business practice are available to improve decision-making and performance of board members, they are not used.

Response: The District agrees with this finding as it may pertain to the District during the time period under review by the Grand Jury, but notes that improvements have been made since that time. The District is a member of California Association of Public Cemeteries and the California Special District Association. The District manager has attended the sexual harassment training this year and attended several CAPC conferences in the prior years. The District manager and all Board members receive periodicals published by CAPC and CSDA informing them of changes to laws pertaining to district operations and functions. The manger and board will be attending training further training in October to comply with AB1234.

RECOMMEDATION 7: Water and cemetery special districts should keep minutes of all board meetings, and the minutes should state at the least:

- 1). Board member, staff and counsel attendance by name;
- 2). Number of attendees that are not board , staff or counsel; and
- 3). For each agenda item or other subject discussed,
 - a) a description of the item
 - b) the action taken
 - c) the facts on which the action is based, and
 - d) for each item that cannot be acted upon at the meeting, the issues that must be resolved before action can be taken and the person who is assigned to obtain the information needed to resolve the issue.

Response: This recommendation has been implemented. The District keeps agendas and minutes conforming to this recommendation.

FINDING 8: Cemetery and water special districts resist even considering consolidation.

Response: The District disagrees with this finding. The District has already consolidated with Pine Grove Cemetery in Orcutt. The Board has also considered and rejected the idea of consolidation with other districts in the past.

RECOMMENDATION 10: Cemetery districts should assess, using an independent third party consultant, the advantages and disadvantages of consolidation with adjacent cemetery districts, and cemetery boards should make a specific decision to pursue consolidation with each cemetery district with which it shares a boundary.

Response: The District thanks the Grand Jury for its recommendation, but it will not be implemented because it is not warranted. This issue has been discussed in the past at several board meetings, but because of the importance of local control and public assess to members of the board and the district manager the district cannot support this recommendation.

FINDING 9: Cemetery district governing boards are overly dependant on district mangers given the scarce recent training, token standard operating procedures, absence of criteria for decision-making, resistance to consulting legal counsel, and the fact that nearly all the information comes through the general manager or not at all.

Response: The District disagrees with this finding. The District Board has had legal counsel for over 15 years. The Board also receives information directly from the public via phone calls and letters regarding any issues the public is concerned about. We also have independent financial auditors who conduct audits of the districts finances annually.

RECOMMEDATION 8: Water and cemetery special districts should contact their CPA and attorneys annually and asked to be briefed on changes in the laws and other requirements applicable to their district.

Response: This recommendation has been in effect for over 15 years. The District CPA attends one board meeting monthly and briefs the trustees and manger with a detailed financial report regarding the districts finances. The district also contacts counsel regarding any legal issues that pertain to the district.

RECOMMENDATION 9: For each action requested of a district board by the general manager, the board should require its general manager to state writing the facts on which to base a reasonable conclusion that the request be granted.

Response: The recommendation is already being implemented. Board action requested by the manger is ordinarily a Board meeting agenda item, thus a written record of the request and the Board's response is maintained within the meeting minutes. The Board is given an information packet prior to each meeting regarding any items to be discussed on the agenda.

Thank you for the opportunity to provide these responses.

Sincerely,

Lavonne McBroom,
Board President