

RECEIVED

NOV 28 2011

November 22, 2011

BY: _____

Hon. Arthur A. Garcia
Assistant Presiding Judge
Santa Barbara Superior Court
P.O. Box 5369
Santa Maria, CA 93456-5369

Judge Garcia,

This is the response of the Carpinteria Public Cemetery District to the Santa Barbara County Grand Jury Findings and Recommendations:

Finding 1a: Most public agencies in Santa Barbara County are participants in large defined benefit pension plan pools, which provide diversification, cost efficiency, spreading of risk, centralized management and centralized investment strategy.

Response: The District agrees with this Finding.

Finding 1b: Public agencies in Santa Barbara County participating in defined benefit pension's pools know their current year required contribution and an estimate of the following year's contribution.

Response: The District agrees with this finding

Finding 1c: Fitch Ratings is a global rating agency that has announced new disclosure requirements because current disclosure requirements make it impossible for Fitch to accurately allocate a cost-sharing multiple-employer system's unfunded pensions liability to the numerous participating employers that use pools to provide pensions to their employees. Moody's Investor Service has begun to recalculate the state's debt burdens in a way that includes unfunded pensions. The Government Accounting Standards Board has stated that each government agency participating in a cost-sharing pensions plan should report a net liability based on its proportion of the unfunded obligation of all the participating governments.

Response: The District agrees with this finding

Finding 1d: Unfunded long-term liability can have an important impact on future funding requirements that the ratepayer, taxpayer and each individual agency needs to know.

Response: The District agrees with this finding

Finding 1e: Public agencies in Santa Barbara County participating in defined benefit pension pools do not know their individual long-term unfunded actuarial liability.

Response: The District agrees with this finding

Recommendation 1: That no later than January 1, 2012, all local government agencies that belong to multiple-employer pension pools obtain, and for each year thereafter, make publicly available estimates of their individual unfunded actuarial liability from an actuary or the plan sponsor.

Response: This recommendation has been implemented. The District has made this request of the Santa Barbara County Employee's Retirement System. We have not been given a date as to when we would receive this information. When we receive it, we will make it public.

Finding 2a: As of June, 2010, public agencies in Santa Barbara County had a total unfunded actuarial liability of post employment healthcare of approximately \$316,000,000.

Response: The District agrees with this finding.

Finding 2b: Some agencies pay all or a portion of the healthcare premium costs for employees.

Response: The District agrees with this finding.

Finding 2c: For the most part, local agency healthcare benefits are pay as you go, and are not structured on a prefunded basis like defined benefit pension plans.

Response: The District agrees with this finding

Recommendation 2a: That no later than January 1, 2012, in the best interest of ratepayers and taxpayers, each government agency that contributes some of part of healthcare premiums for employees, adopt an implementation plan to reduce those contributions.

Response: The recommendation has not been implemented, but will be considered has current staff leaves the District. We currently have a staff of 2.

Recommendation 2b: That no later than January 1, 2012, in the best interest of ratepayers and taxpayers, each government agency that provides healthcare premiums for employees, implement prefunding their current unfunded healthcare liability.

Response: This recommendation will not be implemented do to the small number (2) of District employees and the sufficient income and reserves to meet future healthcare obligations.

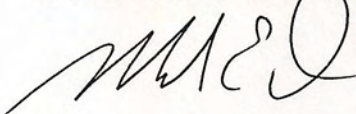
Finding 3: As of June, 2010, public agencies in Santa Barbara County had a total liability for compensated absences of nearly \$61,000,000.

Response: The District agrees with this finding.

Recommendation 3: That no later than January 1, 2012, in the best interest of ratepayers and taxpayers, each government agency that has compensated absences liabilities, adopt and implementation plan to reduce each agency's compensated absences liability.

Response: This recommendation will not be implemented. The District has (2) employees and has a strict policy of limiting accrual of unused vacation time and no compensation for unused sick time.

Respectfully submitted,



Michael E. Damron
District Manager/Clerk
Carpinteria Public Cemetery District