

SANTA YNEZ COMMUNITY SERVICES DISTRICT

Mailing Address: P.O. Box 667, Santa Ynez, CA 93460-0667 • (805) 688-3008

Date: July 21, 2011

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

Re: Response to "Local Government Post Employment Benefits"

Dear Honorable Judge Garcia:

In response to the Grand Jury Report dated June 2011.

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 to Finding 3: The Santa Ynez Community Services District does not have sufficient information to either agree or disagree with Finding 3.

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 an implementation plan to reduce each agency's compensated absences liability.

Response to Recommendation 3:

Employees of the Santa Ynez Community Services District are entitled to accumulate up to 24 working days (192 hours) of sick leave, at the rate of eight hours per month. Unused sick leave is not paid out upon termination. Pay in lieu of sick leave is not granted. At the end of each calendar year any unused sick leave in excess of 192 hours is credited to the employee's retirement account. In light of the foregoing, accumulated employee sick leave benefits are not recognized as a liability of the District. Therefore, sick leave benefits are recorded as expenses in the period that sick leaves are taken.

Employees are also entitled to accumulate vacation leave at a rate of two to four weeks per year, depending on the number of years of service completed. Vacation leave is fully vested at the time of accrual and is paid to employees upon termination of employment. In accordance with generally accepted accounting principles, the liability is reflected on the statement of net assets and the current fiscal year allocation has been expensed. The liability at June 30, 2010 for accumulated vacation leave was \$19,657.

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The District does not plan to implement Recommendation 3 by reducing its compensated absences liability because the District's current sick leave and vacation policies represent reasonable employee benefits which are necessary to maintain employee morale and to enable the District to attract and retain qualified employees.

If you have any questions, please give me a call at 688-3008 or my email address is roberta@sycsd.com

Sincerely,



Bobbie Martin
General Manager
Santa Ynez Community Services District

cc: Honorable Joni Gray, Chair
Santa Barbara County Board of Supervisors