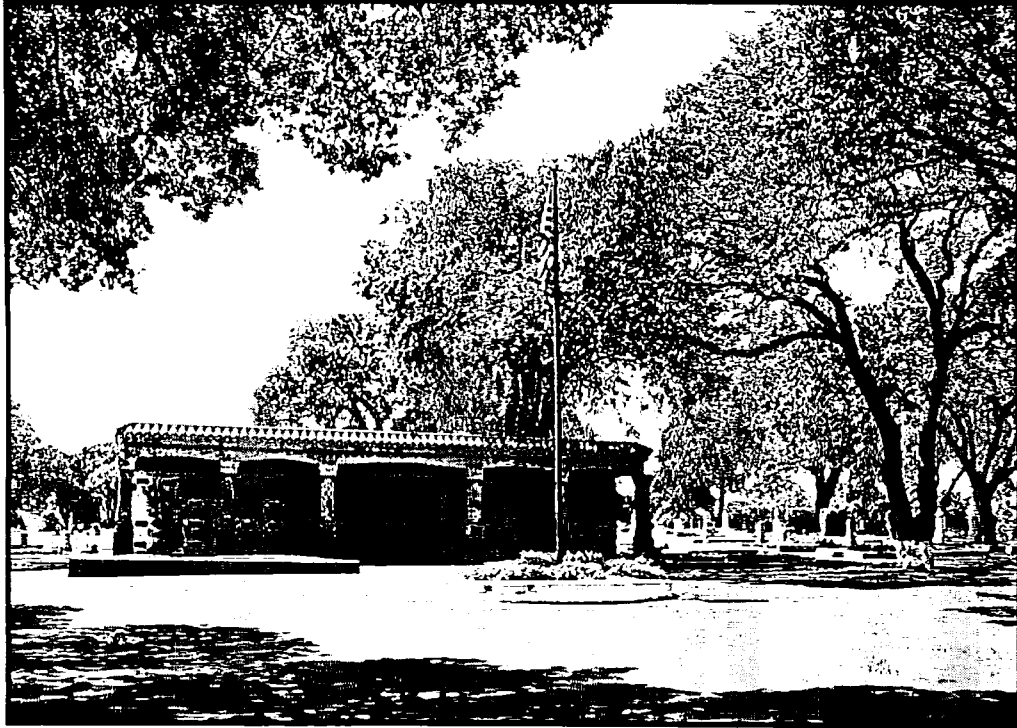


# Public Cemetery Districts of San Luis Obispo County



## Public Review Draft

### Sphere of Influence Update and Municipal Service Review

Prepared by:  
San Luis Obispo  
Local Agency Formation Commission  
1042 Pacific Street, Suite A  
San Luis Obispo, CA 93401  
Tel: 805-781-5795 Fax: 805-788-2072  
[www.slolafco.com](http://www.slolafco.com)

September, 2010

# **SAN LUIS OBISPO LOCAL AGENCY FORMATION COMMISSION**

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# SAN LUIS OBISPO PUBLIC CEMETERY DISTRICTS

## SPHERE OF INFLUENCE UPDATE MUNICIPAL SERVICE REVIEW

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### CHAPTER 1 - INTRODUCTION

This is a Sphere of Influence (SOI) Update and Municipal Service Review for the Cemetery Districts. Public Cemetery Districts serve most parts of San Luis Obispo County and are governed under the Health and Safety Code of California (Section 9000 et seq.) The update of the Sphere of Influence for these Districts recognizes the existing circumstances and recommends no changes to the SOIs. The Cortese/Knox/Hertzberg Local Government Reorganization Act of 2000 (CKH Act) requires the Local Agency Formation Commission (LAFCO) to update the Spheres of Influence (SOI) for all applicable jurisdictions in the County every five years. Prior to, or in conjunction with an agency's SOI update, LAFCO is required to conduct a Municipal Service Review (MSR) for each agency. This Sphere of Influence update and Municipal Service Review is prepared for the following Public Cemetery Districts:

**"...public cemetery district's serve county residents and operate under the State Health and Safety Code 9000 et seq...".**

- Adelaida Cemetery District
- Arroyo Grande Cemetery District
- Atascadero Cemetery District
- Cambria Cemetery District
- Cayucos-Morro Cemetery District
- Estrella-Pleasant Valley Cemetery District
- Paso Robles Cemetery District
- San Miguel Cemetery District
- Santa Margarita Cemetery District
- Shandon Cemetery District
- Templeton Cemetery District

The Municipal Service Review provides a summary of the services provided by the district and presents determinations with regard to the condition and adequacy of these services. MSR's are used as an informational tool by LAFCO and local agencies in evaluating the current district operations and may suggest changes to improve services. Sphere of Influence updates may involve an affirmation of the existing SOI boundaries or recommend modifications to the SOI boundaries. LAFCO is not required to initiate changes to an SOI based on findings and recommendations of the service review, although it does have the power to do so. State law requires that the Commission adopt written MSR determinations for each of the following six criteria:

**Six Service Review Factors**

1. Growth and population projections for the affected area
2. Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies
3. Financial ability of agencies to provide services
4. Status of, and opportunities for, shared facilities
5. Accountability for community service needs, including governmental structure and operational efficiencies
6. Any other matter related to effective or efficient service delivery, as required by commission policy

As part of the SOI update, the Commission is required to consider the following four criteria and make appropriate determinations in relationship to each of the following:

1. The present and planned land uses in the area, including agricultural and open-space lands;
2. The present and probable need for public facilities and services in the area;
3. The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide;
4. The existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the agency.

This report was prepared by the San Luis Obispo Local Agency Formation Commission ("LAFCO") in accordance with Section 56430 of the California Government Code. It responds to the requirement that LAFCO conduct a MSR to study the delivery of municipal services and update Spheres of Influence.

The report evaluates all eleven Cemetery Districts in San Luis Obispo County, including services provided and issues regarding boundaries and Sphere of Influences. It is recommended that the Spheres of Influence for the Cemetery Districts listed below remain unchanged.

**Table 1**  
**Public Cemetery Districts of San Luis Obispo County**

| <b>Cemetery District</b> | <b>Service Area/<br/>SOI Acreage</b> | <b>Population</b> | <b>Interments<br/>Per Year</b> | <b>Annual<br/>Budget (\$)</b> | <b>Endowment<br/>Fund (\$)</b> |
|--------------------------|--------------------------------------|-------------------|--------------------------------|-------------------------------|--------------------------------|
| Adelaida                 | 104,365<br>0                         | 1,001             | 0-2                            | 0                             | unknown                        |
| Arroyo Grande            | 348,401<br>58,397                    | 66,375            | 176                            | 414,484                       | 1,211,661                      |
| Atascadero               | 47,840<br>70,545                     | 29,860            | 90                             | 365,227                       | 798,033                        |
| Cambria                  | 152,677<br>0                         | 7,731             | 40                             | 148,469                       | 86,927                         |
| Cayucos-Morro            | 112,016<br>0                         | 17,850            | 48                             | 279,622                       | 320,775                        |
| Estrella                 | 51,998<br>0                          | 4,929             | 0-2                            | 0                             | 0                              |
| Paso Robles              | 142,884<br>61,367                    | 35,880            | 120                            | 568,851                       | 1,189,700                      |
| San Miguel               | 113,766<br>0                         | 4,553             | 10                             | 85,385                        | 32,134                         |
| Santa Margarita          | 141,909<br>43,090                    | 4,381             | 24                             | 34,763                        | 16,013                         |
| Shandon                  | 249,019<br>9,044                     | 2,589             | 1-5                            | 16,500                        | 17,257                         |
| Templeton                | 63,886<br>0                          | 10,671            | 25                             | 397,514                       | 76,329                         |

### Environmental Determination

The California Environmental Quality Act ("CEQA") requires that the Commission undertake and review an environmental analysis before granting approval of a project, as defined by CEQA. The MSR's are categorically exempt from the preparation of

environmental documentation under a classification related to information gathering (Class 6 - Regulation Section 15306), which states: "Class 6 consists of basic data collection, research, experimental management, and resource evaluation activities which do not result in a serious or major disturbance to an environmental resource. These may be strictly for information gathering purposes, or as part of a study leading to an action which a public agency has not yet approved, adopted, or funded." Indeed, the MSR collects data for the purpose of evaluating services provided by the agencies. There are no land use changes or environmental impacts created or recommended by such studies.

Furthermore, the MSR qualifies for a general exemption from environmental review based upon CEQA Regulation Section 15061(b)(3), which states: "The activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA." Additionally, the SOI updates qualify for the same general exemption from environmental review based upon CEQA Regulation Section 15061(b)(3).

There is no possibility that the MSR or SOI updates would have a significant effect on the environment because there is no land use changes associated with the documents. If the Commission approves and adopts the MSR's and SOI updates and determines that the projects are exempt from CEQA, staff will prepare and file a notice of exemption with the Clerk of the County of San Luis Obispo, as required by CEQA Regulation Section 15062.

## **Background**

A governing body (i.e. Board of Directors, Board of Trustees) must be established by law to administer the operation of a cemetery district and is composed of three or five members as specified in the petition for the formation of the District. The Board of Supervisors appoints these members with the District Supervisor making the selections.

The governing body may instead be composed of the Board of Supervisors if circumstances deem this appropriate and the Board agrees to act as the governing body. After a Cemetery District has been formed, the boundaries may be altered and outlying incorporated or unincorporated territory may be annexed to the District subject to LAFCO consideration.

Public Cemetery Districts are single purpose special districts appointed by the county Board of Supervisors and governed under California's Health and Safety Code. Under the California Health and Safety Code Sections 9000-9093, Cemetery Districts are legally authorized to provide standard cemetery functions, including land acquisition, cemetery maintenance, interment/disinterment services and grounds keeping. In private religious and fraternal cemeteries, the costs of these services are reflected entirely in the prices of grave spaces, burial fees, and charges against endowment funds. Public Cemetery Districts finance these services through property taxes, fees for services (the sale of burial plots, charges for openings and removals, and setting of markers).

The Health and Safety Code prescribes those who may be interred in district cemeteries. The deceased should have been a resident or taxpayer of the district, or former resident or taxpayer of the district who purchased lots prior to leaving the area or selling his/her land. Family members are eligible for interment, but are limited to spouses, parents, grandparents, children, and siblings. Districts often have local policies and fees for non-residents.

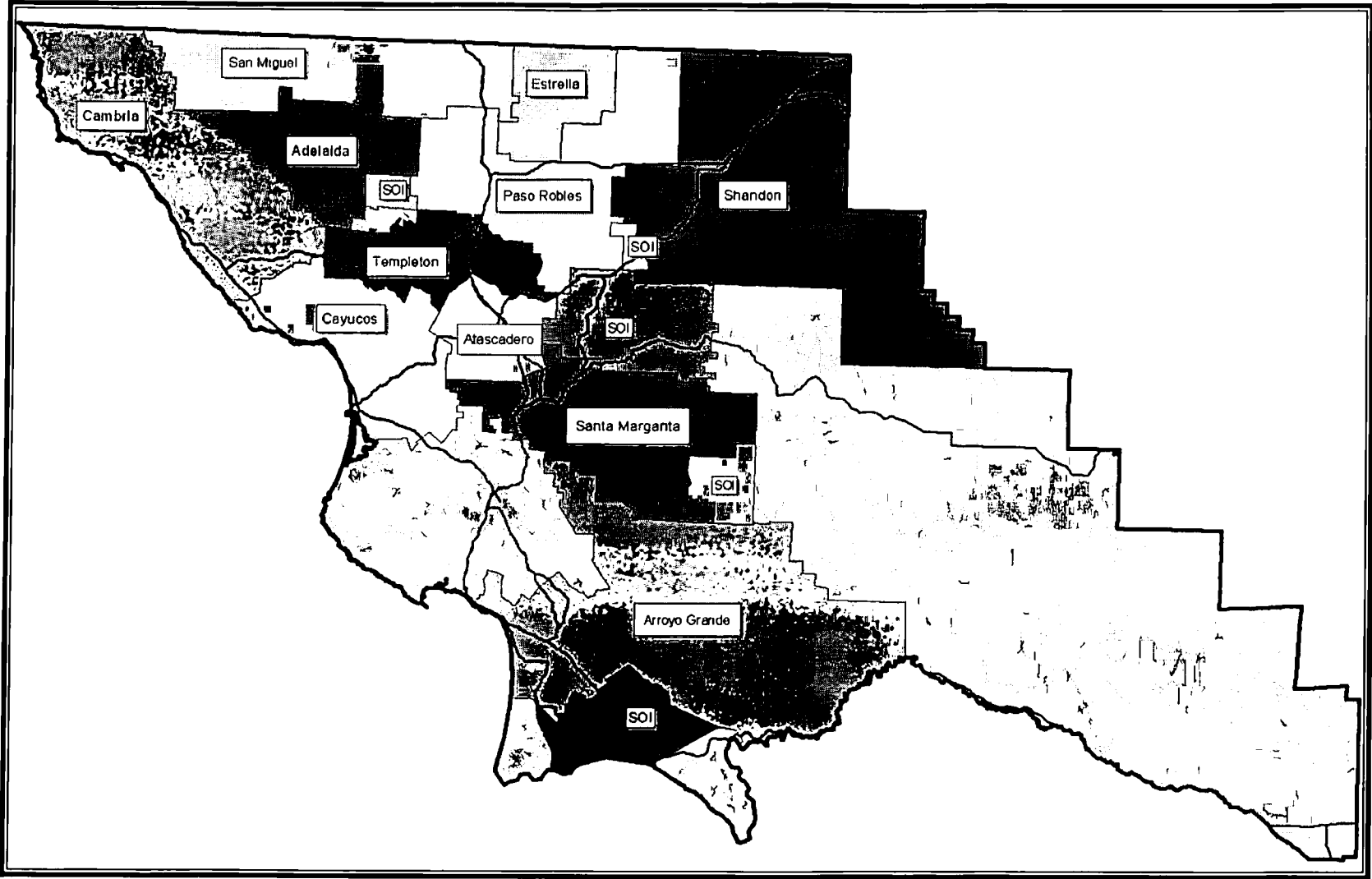
The 2008-2009 Grand Jury reviewed the governance and operation of the eleven public cemetery districts in San Luis Obispo County. The Grand Jury undertook an investigation of the Public Cemetery Districts because (1) they had not been looked at for many years, (2) because they are very low profile districts only rarely needed by residents and )3) boards are not subject to election, and (4) their continuous, long term, responsible operation is of great importance to the community. The Grand Jury did not find evidence of irresponsible operation of any of the cemeteries but did find that some

of the smaller cemeteries operate with an informality which may jeopardize the long term continuity and integrity of the cemetery.

In addition, a descendent not otherwise eligible may be interred in a district cemetery if private facilities are not available within a radius of 15 miles of the descendents residence. Plots acquired by veterans' associations may be used for the burial of any of their members, whether or not such member is a district resident. Also, the County may have buried in a district any indigent, if the district's trustees determine there is more space available then necessary to meet foreseeable needs of the district.

There are eleven (11) cemetery districts in San Luis Obispo County. Residents in certain portions of the County, including San Luis Obispo (served by private cemetery), Los Osos, Creston, Pozo, Avila Beach, Nipomo, California Valley, and a small area near Adelaida do not reside within a Public Cemetery District.

Figure 1  
San Luis Obispo County  
Public Cemetery District Boundaries  
Sphere of Influence



## **Recommendations:**

1. Acting as Lead Agency pursuant to California Environmental Quality Act (CEQA) Guidelines, find that prior to adopting the written determinations, the Municipal Service Reviews and Sphere of Influence determinations under consideration are Categorically Exempt from the provisions of the California Environmental Quality Act (CEQA) under Section 15306, "Information Collection" and Section 15061(b)(3), "General Rule Exemption".
2. Approve the Municipal Service Review, Sphere of Influence Update, and Written Determinations prepared for each of the Public Cemetery Districts.
3. Pursuant to Government Code Sections 56425 and 56430 make the required determinations for the Municipal Service Reviews and District Spheres of Influence, adopt the Municipal Service Reviews prepared for each Public Cemetery District, and update the Sphere of Influence for said Districts by reaffirming their current boundaries.

# **SAN LUIS OBISPO PUBLIC CEMETERY DISTRICTS**

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## **CHAPTER 2- SPHERE OF INFLUENCE UPDATE**

### **Description of Current Sphere of Influence**

Public Cemetery District boundaries and Spheres of Influence are generally coterminous, except for a few Cemetery Districts such as Arroyo Grande, Atascadero, Paso Robles, and two small Spheres of Influences for Santa Margarita and Shandon Cemeteries.

### **No Proposed Sphere Changes**

Each district indicates its boundaries are adequate at this time and there are no current plans to annex or serve other areas. The maps that follow show the SOI and Service Area for each of the Cemetery District's located in the County.

### **Sphere of Influence Determinations**

No changes in the Spheres of Influence are proposed at this time and it is not necessary for the Commission to adopt or approve any determinations.

### **Summary and Recommendations**

In consideration of information gathered and evaluated during the Municipal Service Review it is recommended the Commission affirm the current Spheres of Influence and that they remain unchanged at this time.

The Paso Robles Cemetery District and LAFCO should explore the feasibility of consolidating the Estrella-Pleasant Valley District. The Estrella-Pleasant Valley District has limited resources in terms of services and it would likely be more efficient to have the Paso Robles Cemetery District service this area. The consolidation may not be economically feasible as it could increase costs for Paso Robles Cemetery District without an increase in revenues. The issue would require further study.

Figure 2

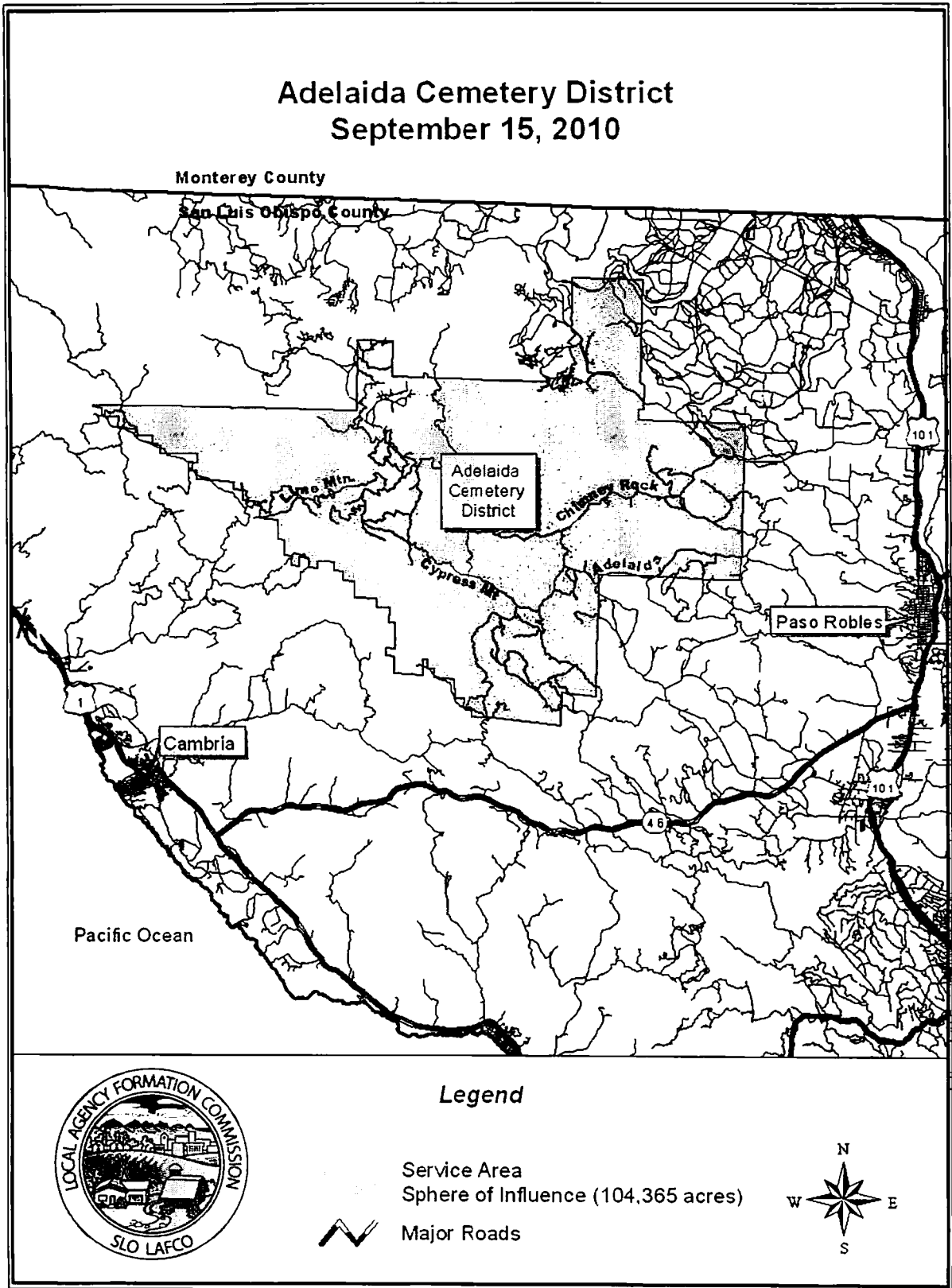


Figure 3

Arroyo Grande Cemetery District  
September 15, 2010

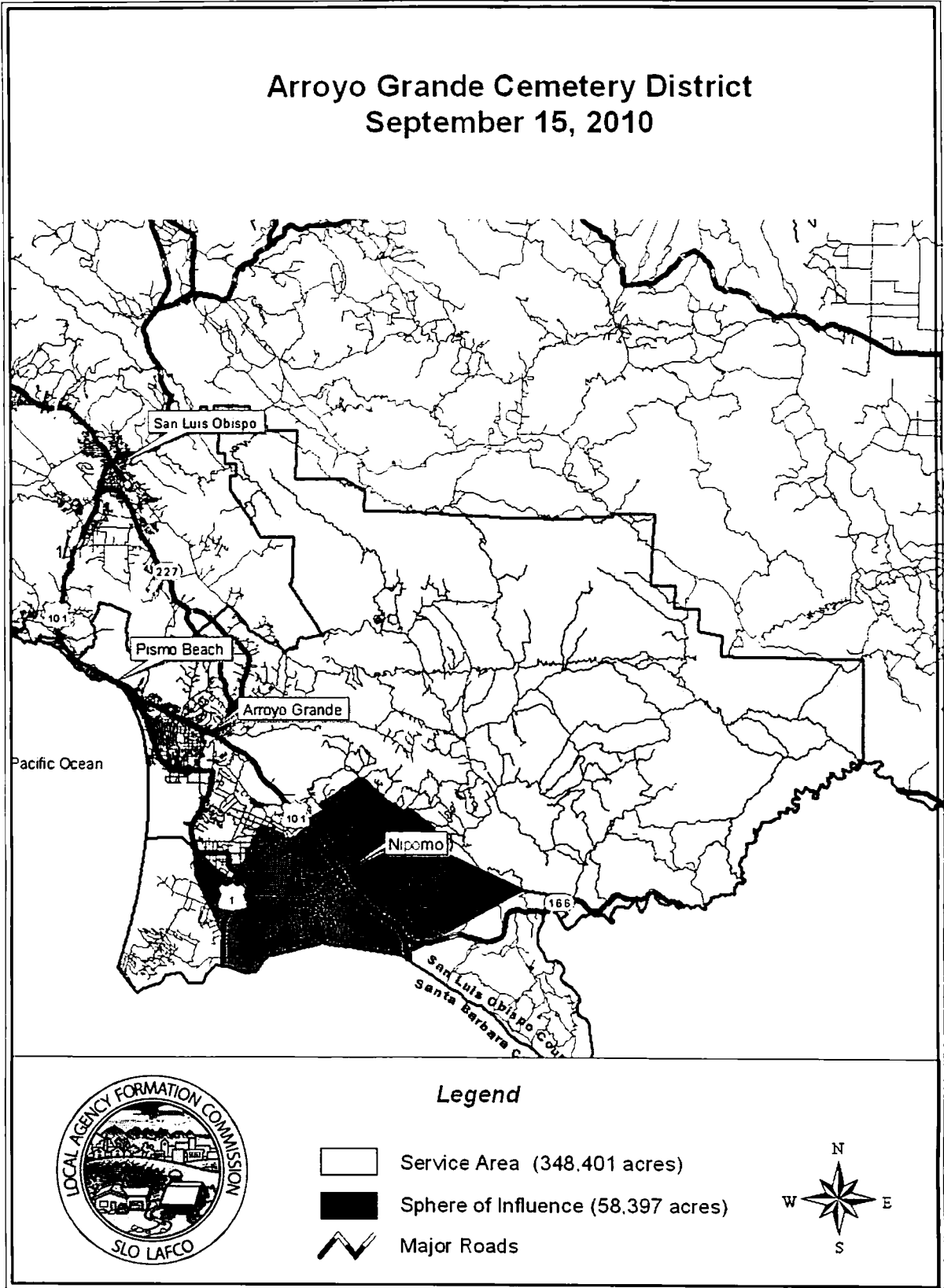


Figure 4

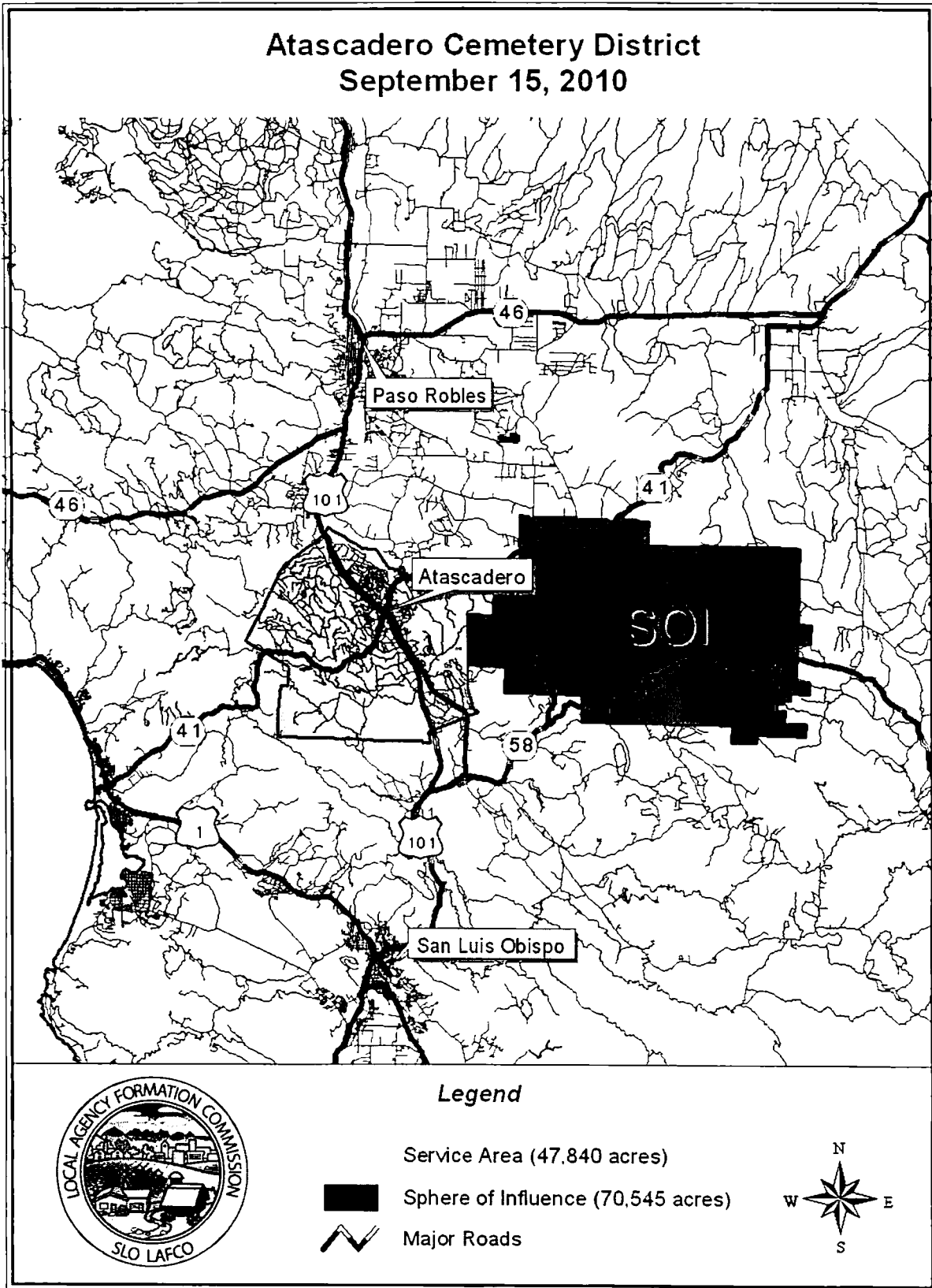
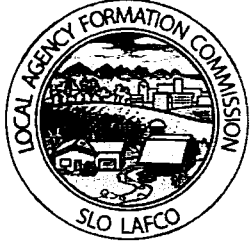
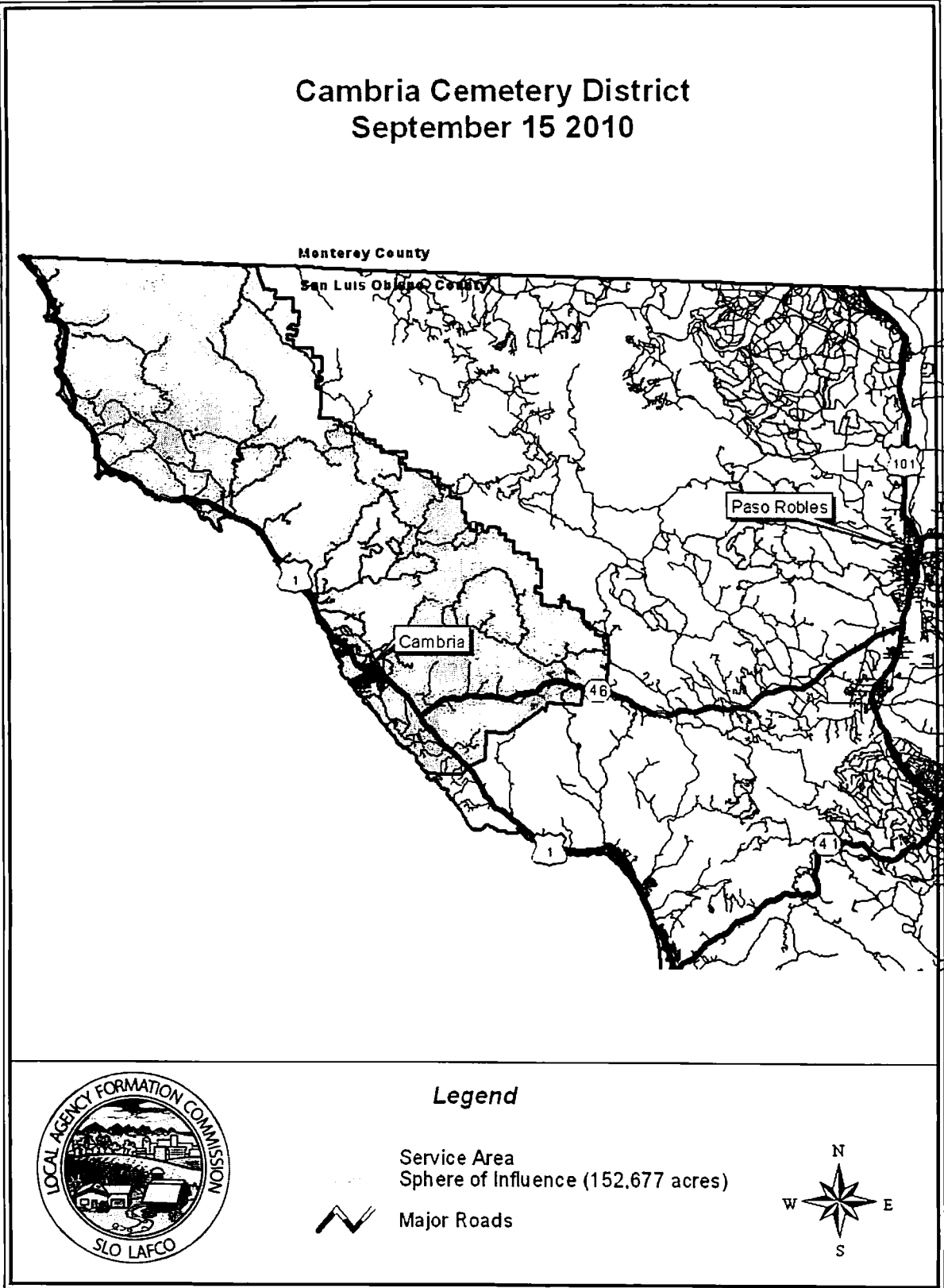


Figure 5

### Cambria Cemetery District September 15 2010



#### Legend




-  Service Area
-  Sphere of Influence (152,677 acres)
-  Major Roads



Figure 6

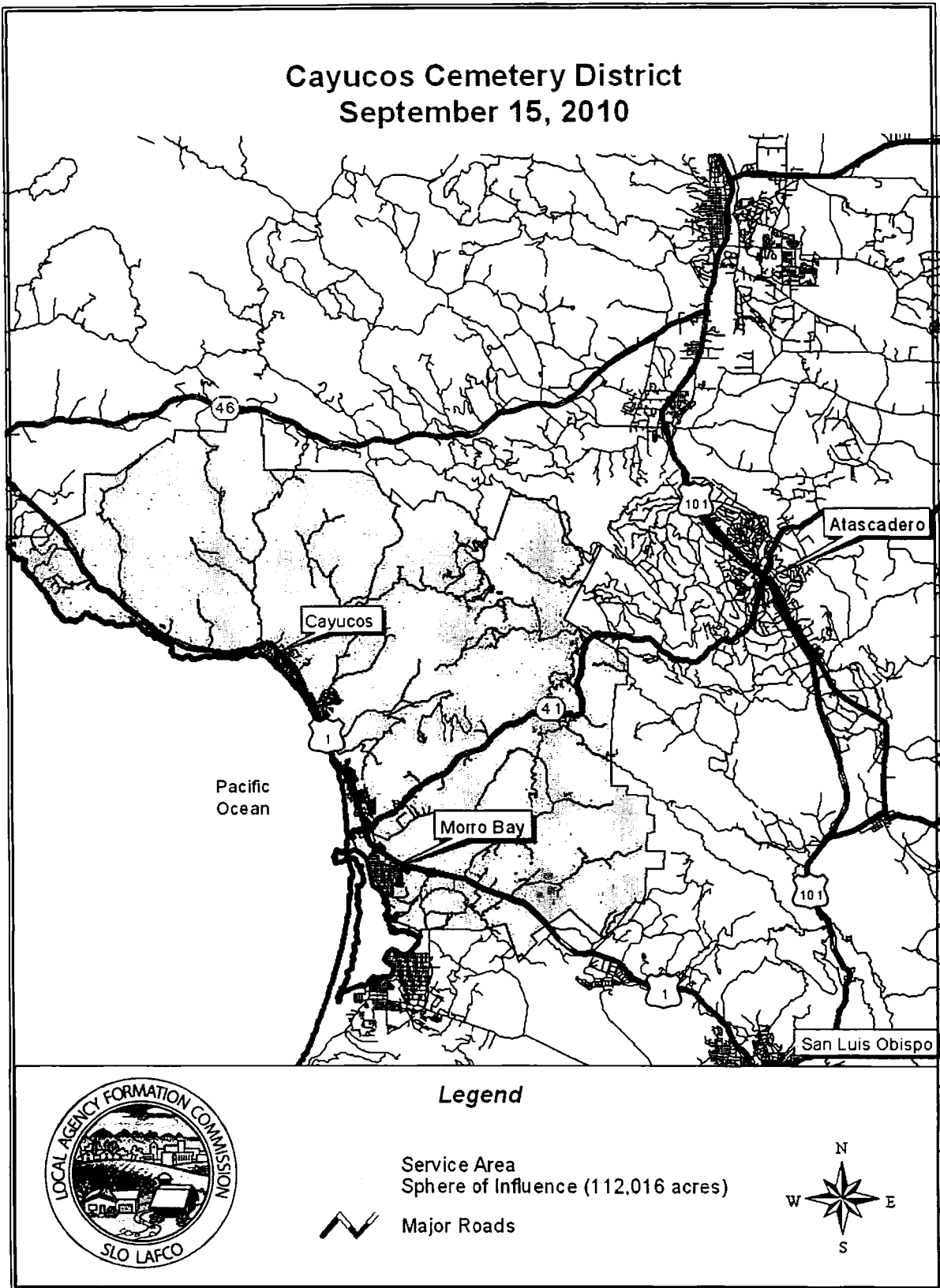
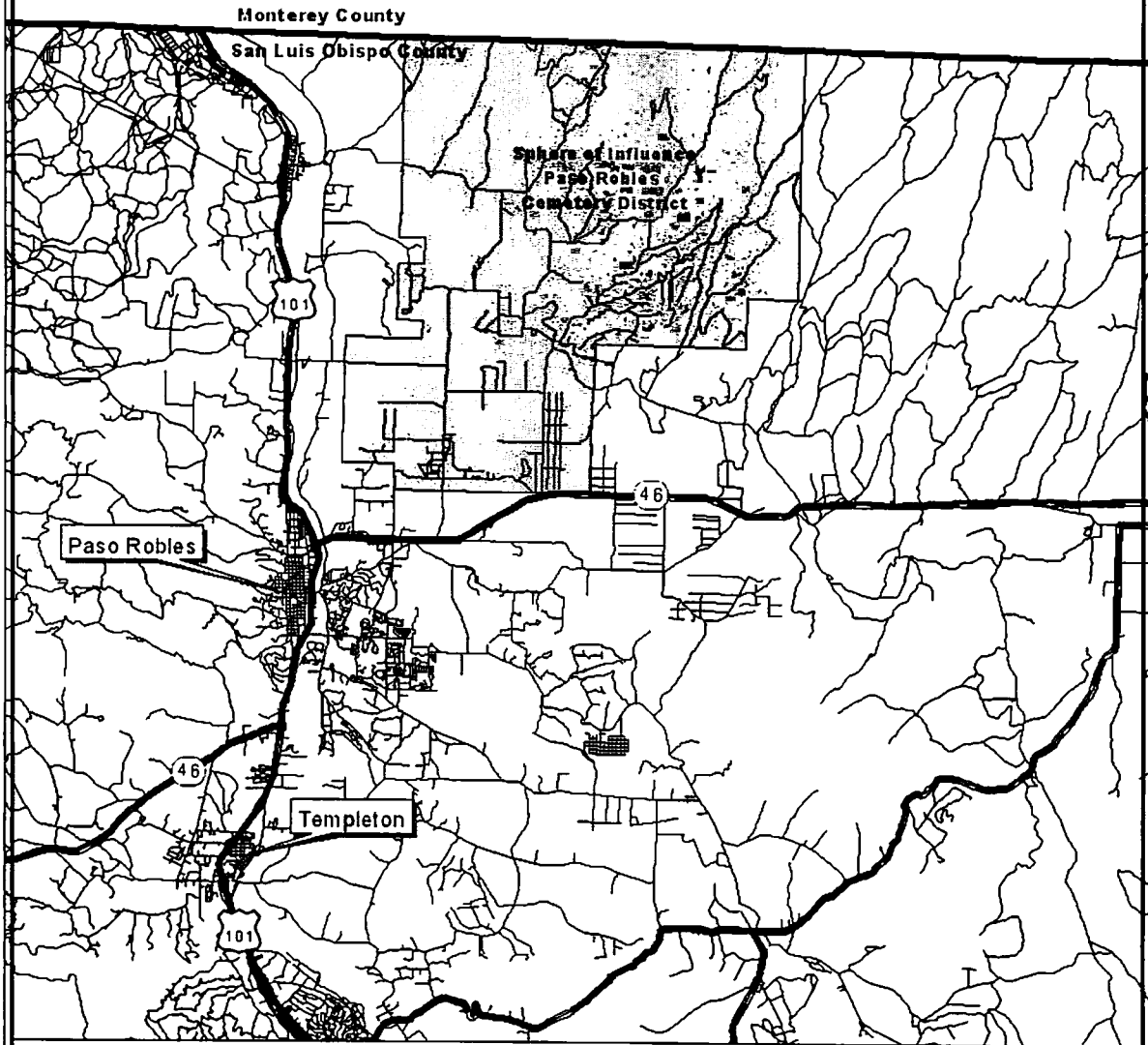


Figure 7

# Estrella Cemetery District September 15, 2010



### Legend




-  Service Area
-  Sphere of Influence (51,998 acres)
-  Major Roads



Figure 8

# Paso Robles Cemetery District September 15, 2010

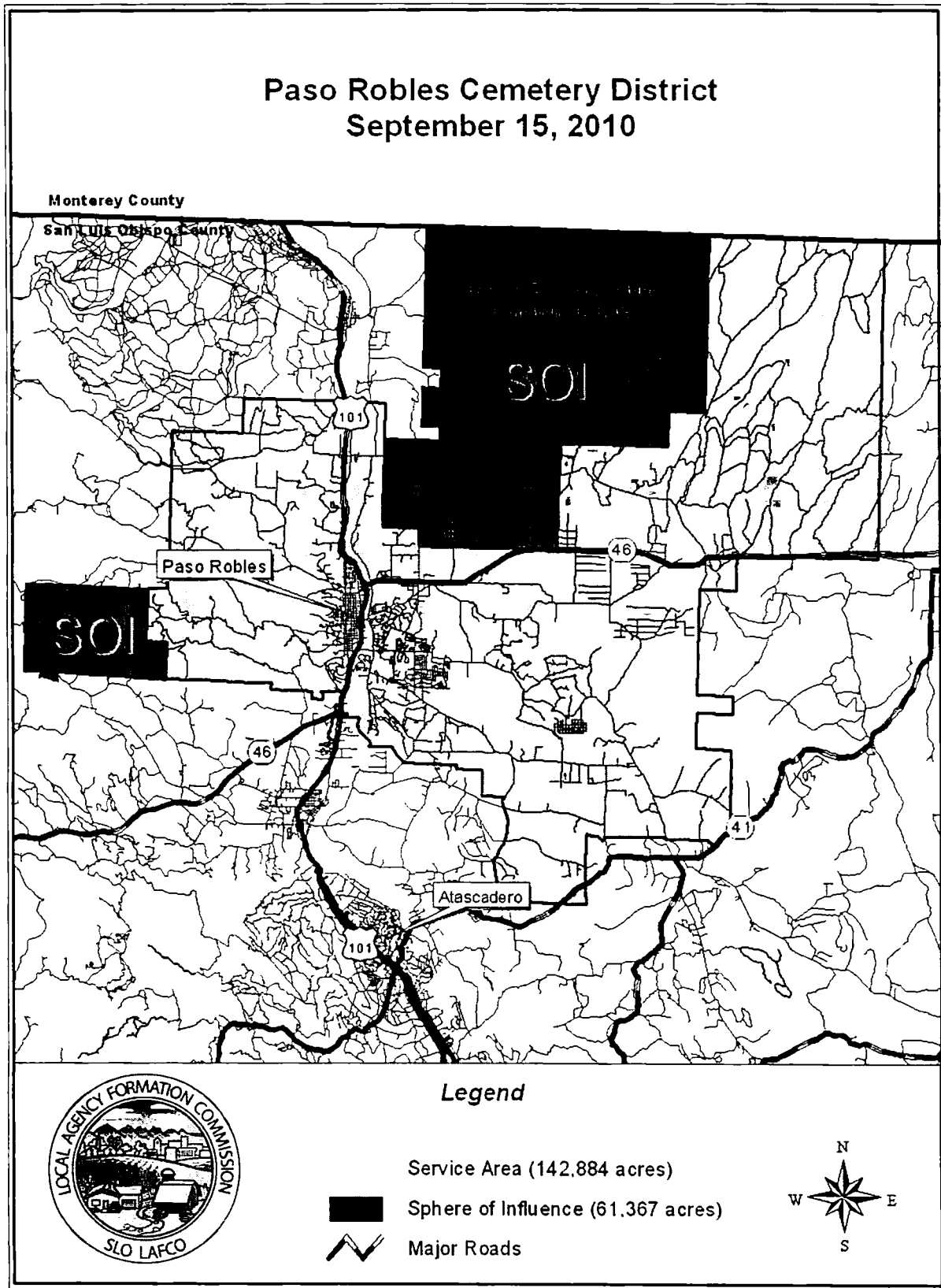
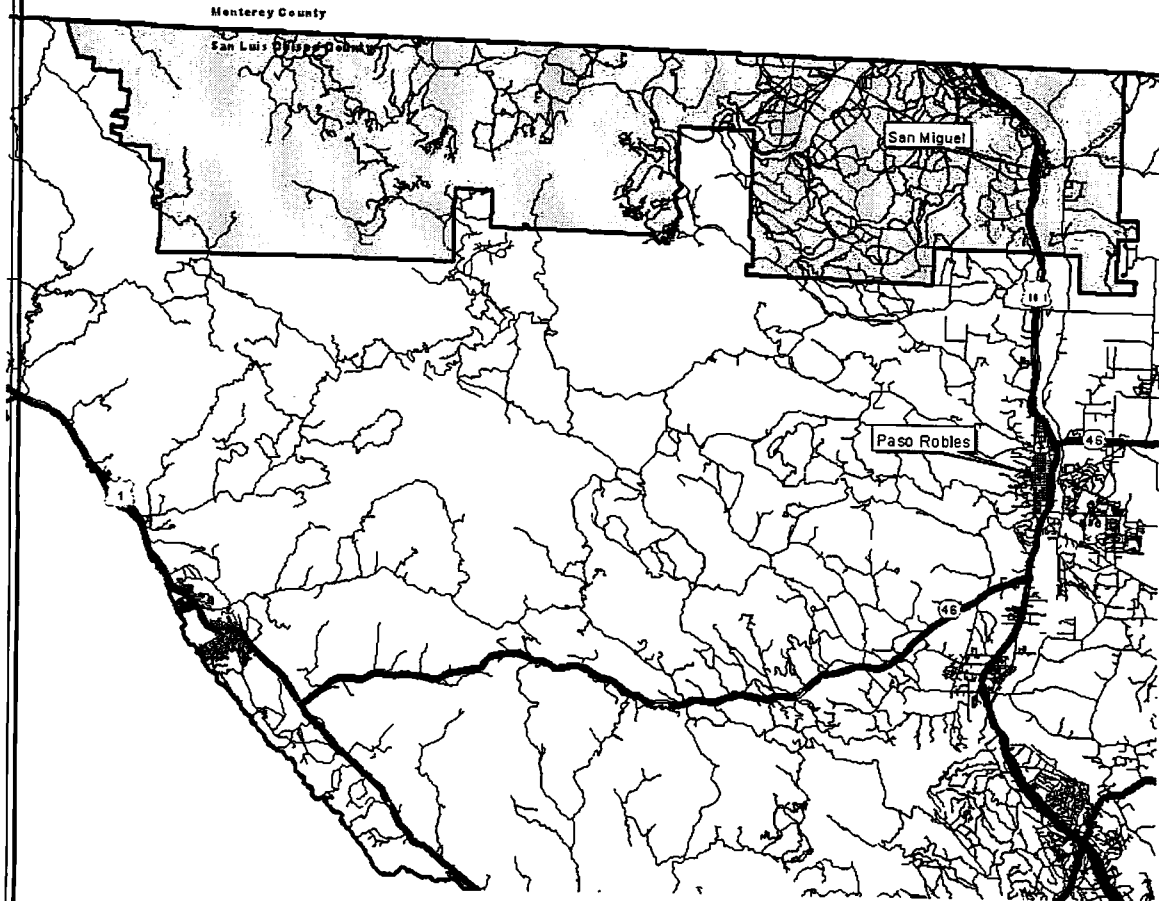




Figure 9

# San Miguel Cemetery District September 15, 2010



## Legend

-  Service Area
  -  Major Roads
- Sphere of Influence (113,766 acres)

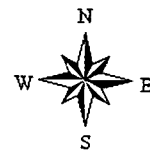
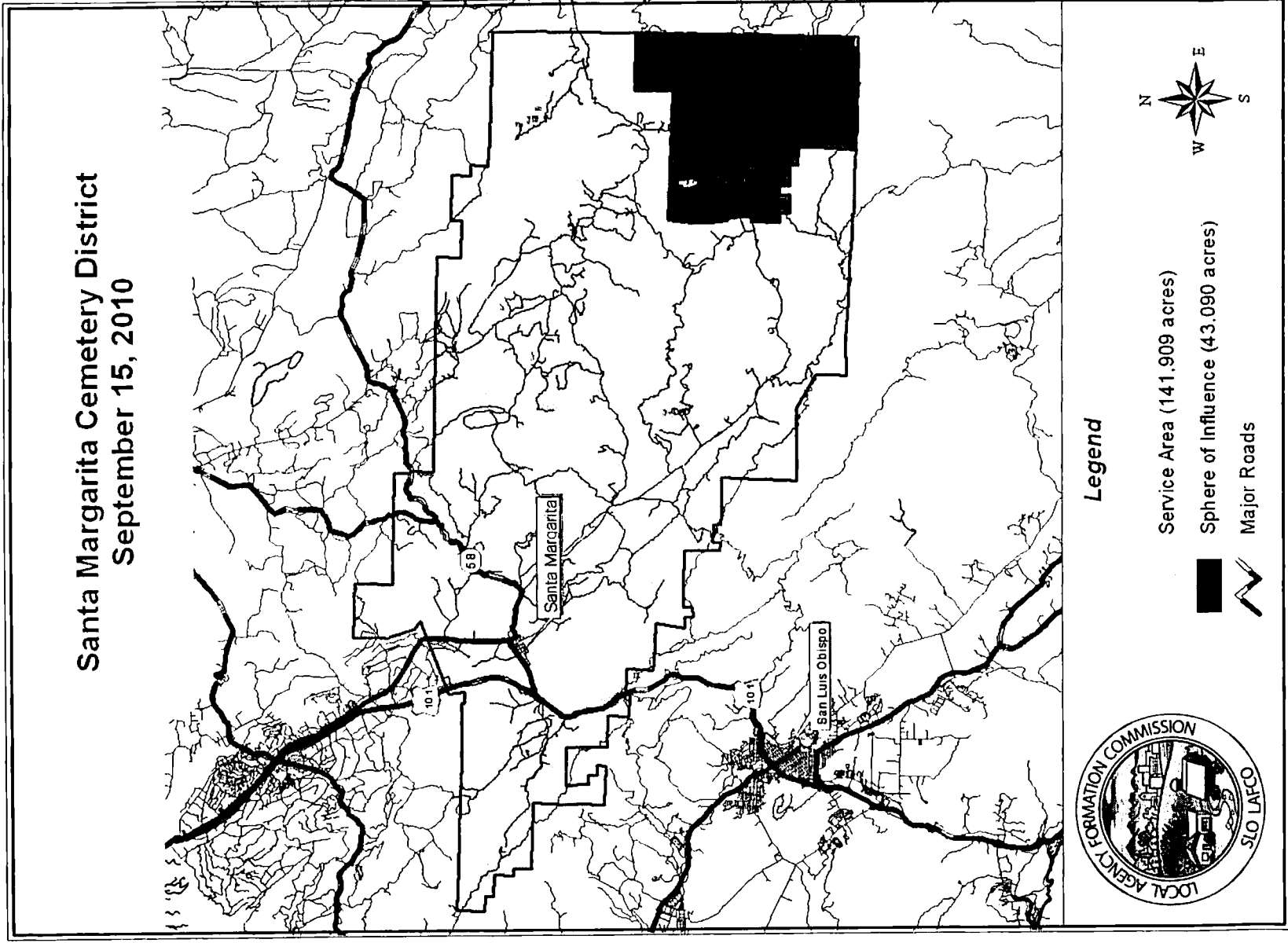


Figure 10

Santa Margarita Cemetery District  
September 15, 2010



Legend

Service Area (141,909 acres)

Sphere of Influence (43,090 acres)

Major Roads

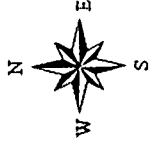
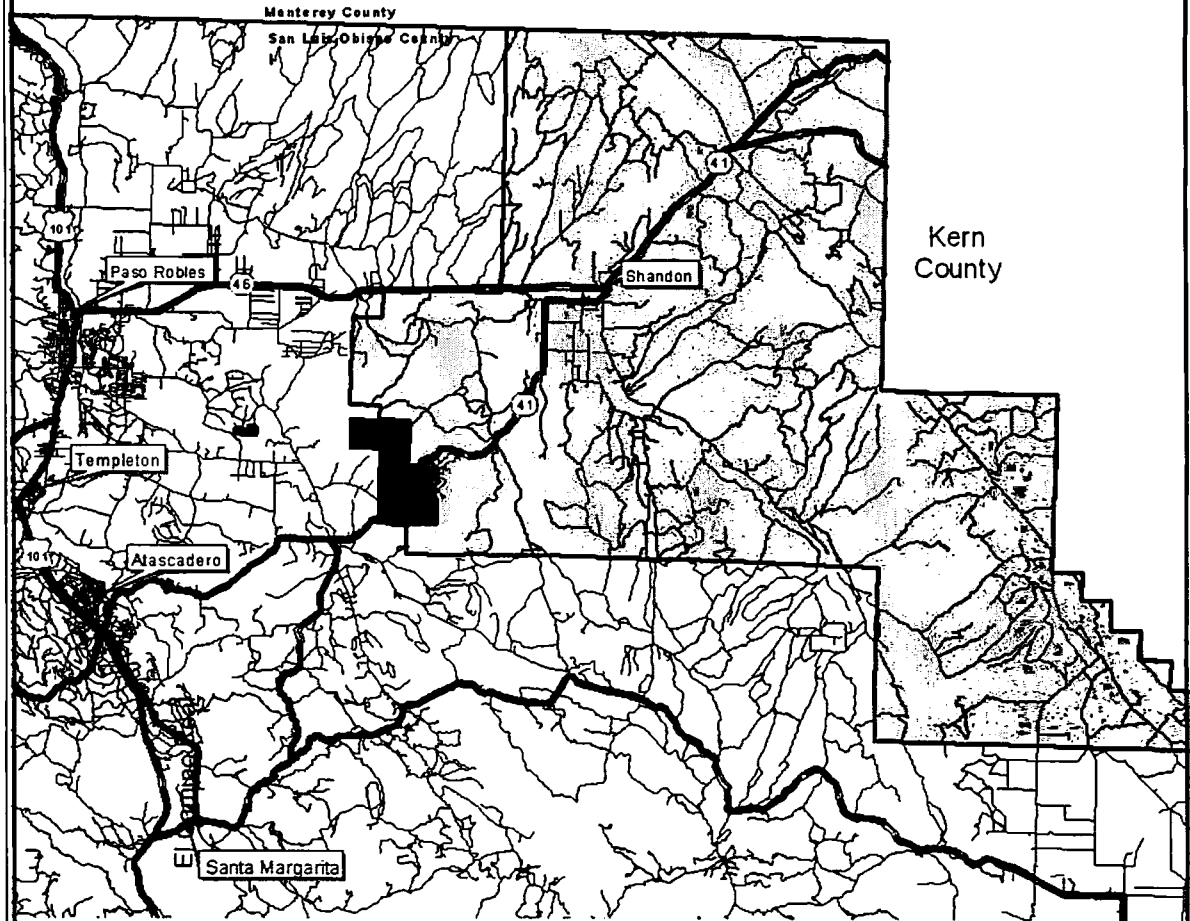


Figure 11

### Shandon Cemetery District September 15, 2010



#### Legend




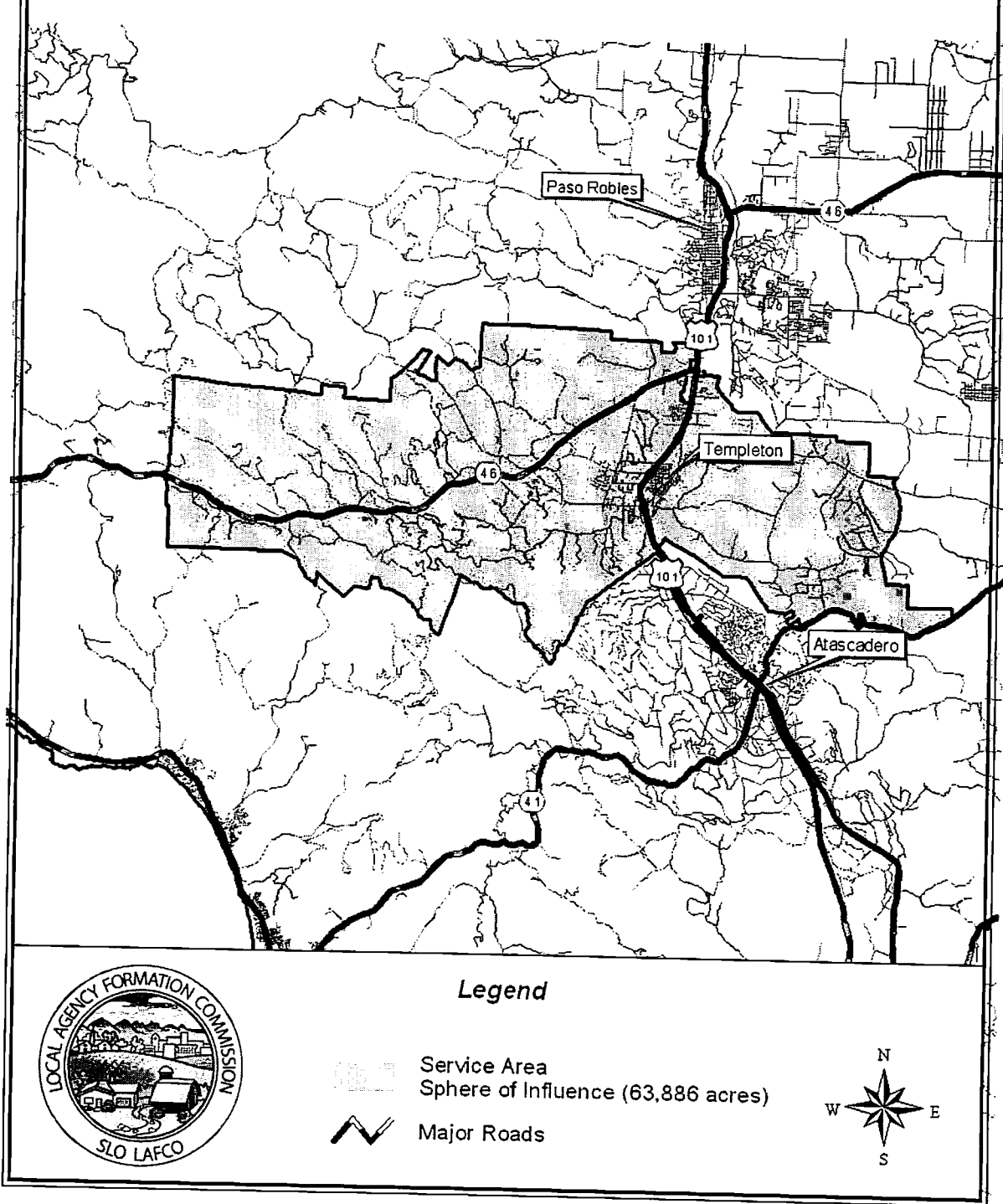
-  Service Area (249,019 acres)
-  Sphere of Influence (9,044 acres)
-  Major Roads



Figure 12

Templeton Cemetery District  
September 15, 2010



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## **CHAPTER 3 – MUNICIPAL SERVICE REVIEW**

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### **Organization of Cemetery Districts**

Much of San Luis Obispo County is included in one of the eleven cemetery districts, as shown on the maps found in Chapter 2. They are among the oldest public agencies in the County. Each District operates pursuant to the Public Cemetery District Law, Health and Safety Code Section 9000 et seq.

Each district is governed by a Board of Trustees appointed by the Board of Supervisors. A general manager, in some districts called the office manager or superintendent, is responsible for administrative functions and day-to-day operations.

#### Five Member Boards

- Paso Robles Cemetery District - Formed in 1937
- San Miguel Cemetery District – Formed in 1939

#### Three Member Boards

- Adelaida Cemetery District – Formed in 1940
- Arroyo Grande Cemetery District - Formed in 1918
- Atascadero Cemetery District – Formed in 1940
- Cambria Cemetery District – Formed in 1940
- Cayucos-Morro Cemetery District – Formed in 1938
- Estrella Pleasant Valley Cemetery District – Formed in 1940
- Santa Margarita Cemetery District – Formed in 1915
- Shandon Cemetery District – Formed in 1921
- Templeton Cemetery District – Formed in 1938

### **District Staffing**

District staffing patterns indicate the level of activity in each agency and the available funding. While comparisons may be interesting, they reflect the respective budget in each district and the number of interments per year.

### **District Boundaries**

While much of the County's population is within a public cemetery district, some areas are not. Areas not within a cemetery district including San Luis Obispo (served by

private cemetery), Los Osos, Creston, Pozo, Avila Beach, Nipomo, California Valley, and a small area near Adelaida do not reside within a Public Cemetery District.

## **Description of Each District**

**The Adelaida Cemetery District** includes 104,365 acres and has been serving the area since 1891 and probably as far back as 1878, making the cemetery over 100 years old. The Adelaida Cemetery District was formed in 1940 to provide burial service and grounds maintenance at its cemetery site. The District's Service Area is in north San Luis Obispo County that encompasses an area of 104,365 acres and serves approximately 1,001 people. The area ranges from Lake Nacimiento to the north to near Highway 46 to the south, with Camp Roberts on the east and the Lucia Mountain Range on the west. The seven-acre cemetery is located at 9920 Adelaida Road and maintained by volunteers. The cemetery is responsible for 0-2 interments per year. Adelaida Cemetery District does not receive property tax nor does it have an endowment fund to assist with operations. The District has not submitted annual audits to the County Auditor in the past three years and did not respond to LAFCO's survey request.

**The Arroyo Grande Cemetery District** boundaries are the largest in the County including 348,401 acres with a Sphere of Influence covering 58,397 acres. The Arroyo Grande Public Cemetery District was formed in 1918 and serves the southern portion of the County, including the communities of Arroyo Grande, Grover Beach, Pismo Beach, Oceano and outlying areas. The cemetery is located at 895 El Camino Real near the southwest corner of the Halcyon Road and Highway 101 intersection. The cemetery is approximately twenty-one acres with an additional twenty acre site for future use. The District's boundaries contain an estimated population of 66,375 people. Arroyo Grande Cemetery District has four employees and is responsible for approximately 176 interments per year. The cemetery has reached 70% of its capacity with an estimated 40-years of available area. The endowment fund has grown to \$1,211,661 with 21% of the District's revenues coming from property taxes.

**Table 2  
Arroyo Grande Cemetery District  
Financial Summary – Annual Audits – Three Years**

|                     | 2009           | 2008           | 2007           |
|---------------------|----------------|----------------|----------------|
| <b>Revenues</b>     |                |                |                |
| Property Tax        | 103,225        | 98,442         | 94,551         |
| Fees- Sales         | 270,999        | 310,123        | 314,611        |
| Interest            | 20,996         | 47,503         | 45,748         |
| Other               | 4,277          | 3,745          | 3,651          |
| <b>Totals</b>       | <b>399,497</b> | <b>459,813</b> | <b>458,561</b> |
| <b>Expenses</b>     |                |                |                |
| Total Expenses      | 414,484        | 384,300        | 392,147        |
| <b>Fund Balance</b> |                |                |                |
| Fund Balance        | 6,727          | 121,275        | 114,972        |
| Total Fund Balance  | 1,164,334      | 1,157,607      | 1,036,332      |
| <b>Endowment</b>    |                |                |                |
|                     | 1,190,549      | 1,130,044      | 1,071,074      |

The Atascadero Cemetery District was formed in 1940 by petition of the area residents for the purpose of assuming operation of the Pine Mountain Cemetery. The District provides perpetual care maintenance of the 60-acre cemetery that serves 47,840 acres with an additional Sphere of Influence of 70,545 acres for approximately 29,860 people. The Cemetery District is located at 1 Cemetery Road at the intersection of Pine Mountain Road and Highway 41 and maintained by four full-time and 1 part-time employees with an average of 90 interments per year. The endowment fund is \$798,033 with 72% of the District's revenues coming from property taxes.

**Table 3  
Atascadero Cemetery District  
Financial Summary – Annual Audits – Three Years**

|                     | 2009           | 2008           | 2007           |
|---------------------|----------------|----------------|----------------|
| <b>Revenues</b>     |                |                |                |
| Property Tax        | 293,029        | 299,313        | 284,731        |
| Fees- Sales         | 69,890         | 90,461         | 90,787         |
| Interest            | 27,291         | 58,133         | 62,709         |
| Other               | 12,331         | --             | --             |
| <b>Totals</b>       | <b>402,541</b> | <b>447,907</b> | <b>438,227</b> |
| <b>Expenses</b>     |                |                |                |
| Total Expenses      | 365,227        | 399,031        | 384,210        |
| <b>Fund Balance</b> |                |                |                |
| Fund Balance        | 37,314         | 48,876         | 54,017         |
| Total Fund Balance  | 1,394,119      | 1,356,805      | 1,307,929      |
| <b>Endowment</b>    |                |                |                |
|                     | 778,909        | 748,017        | 699,539        |

The **Cambria Cemetery District** was formed in 1940 and serves 152,677 acres. It provides grounds maintenance and burials at its 12.2-acre cemetery site located at 6005 Bridge Street approximately one mile north of Cambria. The District's Service Area is coterminous with the Sphere of Influence serving 7,731 people. The cemetery district on average performs 40 interments per year with 1 full-time and 2 part-time employee's. The endowment fund is \$86,927 with 55% of the District's revenues coming from property taxes.

**Table 4  
Cambria Cemetery District  
Financial Summary – Annual Audits – Three Years**

|                     | 2008    | 2007    | 2006    |
|---------------------|---------|---------|---------|
| <b>Revenues</b>     |         |         |         |
| Property Tax        | 86,086  | 82,937  | 70,602  |
| Fees- Sales         | 62,200  | 69,946  | 75,811  |
| Interest            | 9,074   | 10,115  | 7,520   |
| Other               | --      | 5,040   | --      |
| Totals              | 157,360 | 168,038 | 153,933 |
| <b>Expenses</b>     |         |         |         |
| Total Expenses      | 148,469 | 159,022 | 180,336 |
| <b>Fund Balance</b> |         |         |         |
| Fund Balance        | 8,891   | 9,016   | -26,403 |
| Total Fund Balance  | 229,160 | 217,301 | 205,374 |
| <b>Endowment</b>    |         |         |         |
|                     | 62,416  | 57,024  | 48,110  |

The **Cayucos-Morro Cemetery District** is located at 2451 Ocean Boulevard adjacent to Highway One near the town of Cayucos. The District was formed in 1938 with a service area of 112,016 acres. The District provides perpetual care and maintenance to its nine-acre site with 3 employees and 48 interments per year. The District serves approximately 17,850 people in the Morro Bay Cayucos area. The cemetery has reached 80% of its capacity. Full capacity reached is estimated by 2025. The endowment fund is \$320,775 with 67% of the District's revenues coming from property taxes.

**Table 5  
Cayucos-Morro Cemetery District  
Financial Summary – Annual Audits – Three Years**

|                     | 2009      | 2008      | 2007      |
|---------------------|-----------|-----------|-----------|
| <b>Revenues</b>     |           |           |           |
| Property Tax        | 310,944   | 295,809   | 286,202   |
| Fees- Sales         | 88,772    | 71,104    | 70,039    |
| Interest            | 59,509    | 122,881   | 127,801   |
| Other               | --        | --        | --        |
| Totals              | 459,225   | 489,794   | 484,042   |
| <b>Expenses</b>     |           |           |           |
| Total Expenses      | 279,622   | 269,192   | 244,684   |
| <b>Fund Balance</b> |           |           |           |
| Fund Balance        | 179,603   | 220,602   | 239,358   |
| Total Fund Balance  | 3,283,363 | 3,103,760 | 2,883,158 |
| <b>Endowment</b>    |           |           |           |
|                     | 320,775   | 299,021   | 274,531   |

The Estrella–Pleasant Valley Public Cemetery District was formed in 1940 for the purpose of operating and maintaining Pleasant Valley Cemetery, Estrella Cemetery and the adobe church, which is, designated a historical landmark. Only the 1½-acre Pleasant Valley Cemetery remains active and is used for very few burials each year 0-2 interments. The Estrella-Pleasant Valley Cemetery serves 51,998 acres and 4,929 people. The cemetery is located at 615 Trigo Lane and is maintained by volunteers with no property tax or endowment fund for assistance. The District has not submitted Annual Audits in the past three years and did not respond to LAFCO's survey request.

The Paso Robles District Cemetery District is a 35-acre site located just outside of Paso Robles on 45 Nacimiento Lake Drive. The District was formed in 1937 to provide burial services and grounds maintenance for the Paso Robles Cemetery which serves 142,884 acres and 35,880 people. The Sphere of Influence for the District is 61,367 acres and includes Estrella –Pleasant Valley Cemetery District to the north. The District has 4 employees and contracts with a local contractor to operate and maintain the cemetery. Approximately 100–120 interments are provided per year with the cemetery at 50% capacity. The endowment fund is \$1,189,700 with 64% of the District's revenues coming from property taxes.

**Table 6  
Paso Robles Cemetery District  
Financial Summary – Annual Audits – Three Years**

|                     | 2009      | 2008      | 2007    |
|---------------------|-----------|-----------|---------|
| <b>Revenues</b>     |           |           |         |
| Property Tax        | 417,098   | 404,498   | 377,574 |
| Fees- Sales         | 212,458   | 218,804   | 239,990 |
| Interest            | 21,019    | 26,836    | 34,804  |
| Other               | --        | --        | --      |
| Totals              | 650,575   | 650,138   | 652,368 |
| <b>Expenses</b>     |           |           |         |
| Total Expenses      | 568,851   | 643,922   | 513,425 |
| <b>Fund Balance</b> |           |           |         |
| Fund Balance        | 81,724    | 6,216     | 138,943 |
| Total Fund Balance  | 712,986   | 631,262   | 625,046 |
| <b>Endowment</b>    |           |           |         |
|                     | 1,131,993 | 1,067,438 | 996,583 |

The San Miguel Cemetery District was formed in 1939 and serves an area of 113,766 acres. The District provides grounds maintenance, graveside funerals and other related services with 2 part-time employees. The seven-acre cemetery site is located at 9405 Cemetery Road and averages approximately 10 interments each year and serves the Communities of San Miguel, Oak Shores and outlying areas. The population in the area is approximately 4,553 people. The cemetery is at 50% of its capacity with estimated additional 50-years available. The endowment fund is \$32,134 with 90% of the District's revenues coming from property taxes.

**Table 7  
San Miguel Cemetery District  
Financial Summary – Annual Audits – Three Years**

|                     | 2009    | 2008    | 2007    |
|---------------------|---------|---------|---------|
| <b>Revenues</b>     |         |         |         |
| Property Tax        | 75,324  | 73,401  | 66,875  |
| Fees- Sales         | 2,125   | 4,250   | 5,585   |
| Interest            | 5,227   | 11,264  | 12,617  |
| Other               | 1,049   | 61      | 373     |
| Totals              | 83,725  | 88,976  | 85,450  |
| <b>Expenses</b>     |         |         |         |
| Total Expenses      | 85,385  | 77,885  | 82,585  |
| <b>Fund Balance</b> |         |         |         |
| Fund Balance        | -1,660  | 11,091  | 2,865   |
| Total Fund Balance  | 288,060 | 289,720 | 278,629 |
| <b>Endowment</b>    |         |         |         |
|                     | 32,134  | 30,355  | 27,693  |

The **Santa Margarita Cemetery District** serves 141,909 acres that include the communities of Santa Margarita, Garden Farms, La Panza and outlying areas. The Sphere of Influence covers 43,090 acres. The District was formed in 1915 and serves 4,381 people with a 3.5 acre site. The cemetery is located at 606 East Pozo Road. Three part-time employees provide maintenance and are responsible for an average 24 interments per year. The cemetery is at 90% capacity with an endowment fund of \$16,013 with 65% of the District's revenues coming from property taxes.

**Table 8  
Santa Margarita Cemetery District  
Financial Summary – Annual Audits – Three Years**

|                     | 2009   | 2008    | 2007   |
|---------------------|--------|---------|--------|
| <b>Revenues</b>     |        |         |        |
| Property Tax        | 31,265 | 30,495  | 29,522 |
| Fees- Sales         | 15,492 | --      | --     |
| Interest            | 980    | 2,060   | 2,119  |
| Other               | 251    | --      | --     |
| Totals              | 47,988 | 32,555  | 31,641 |
| <b>Expenses</b>     |        |         |        |
| Total Expenses      | 34,763 | 44,099  | 21,784 |
| <b>Fund Balance</b> |        |         |        |
| Fund Balance        | 13,225 | -11,544 | 9,857  |
| Total Fund Balance  | 39,692 | 26,467  | 38,011 |
| <b>Endowment</b>    |        |         |        |
|                     | 16,013 | 15,613  | 15,613 |

The **Shandon Cemetery District** was formed in 1921 and serves an area that covers over 249,019 acres with an additional 9,044 acres within the Sphere of Influence. The District provides services and grounds maintenance at the three-acre site located on Cemetery Road northeast of the community. With 1-5 interments per year the three part-time employees serve approximately 2,589 people. The endowment fund is \$17,257 with 87% of the District's revenues coming from property taxes.

**Table 9  
Shandon Cemetery District  
Financial Summary – Annual Audits – Three Years**

|                     | 2008   | 2007   | 2006   |
|---------------------|--------|--------|--------|
| <b>Revenues</b>     |        |        |        |
| Property Tax        | 14,494 | 13,960 | 12,281 |
| Fees- Sales         | 1,002  | 1,673  | 750    |
| Interest            | 1,156  | 1,372  | 773    |
| Other               | --     | --     | --     |
| Totals              | 16,652 | 17,005 | 13,804 |
| <b>Expenses</b>     |        |        |        |
| Total Expenses      | 16,500 | 12,421 | 11,999 |
| <b>Fund Balance</b> |        |        |        |
| Fund Balance        | 152    | 4,584  | 1,805  |
| Total Fund Balance  | 28,940 | 28,788 | 24,204 |
| <b>Endowment</b>    |        |        |        |
|                     | 17,257 | 16,554 | 15,982 |

The Templeton Cemetery District was formed in 1938 and serves an area that covers over 63,886 acres with a 10-acre cemetery site. The cemetery is located off of Templeton Cemetery Road north of the community of Templeton. The District provides services and grounds maintenance with one part-time employee with an average 25 interments per year. The District serves 10,671 people and has a Sphere of Influence coterminous with the service area. The cemetery is at 63% of its capacity with an estimated additional 20-years available. The endowment fund has \$76,329 with 70% of the District's revenues coming from property taxes. The Cemetery District contracts with Templeton Community Services District to serve residents in the area.

**Table 10  
Templeton Cemetery District  
Financial Summary – Annual Audits – Three Years**

|                     | 2009    | 2008    | 2007    |
|---------------------|---------|---------|---------|
| <b>Revenues</b>     |         |         |         |
| Property Tax        | 93,373  | 86,987  | 81,743  |
| Fees- Sales         | 38,968  | 35,780  | 40,007  |
| Interest            | 8,984   | 10,942  | 11,952  |
| Other               | 300,000 | --      | --      |
| Totals              | 441,325 | 133,709 | 133,702 |
| <b>Expenses</b>     |         |         |         |
| Total Expenses      | 397,514 | 137,995 | 108,088 |
| <b>Fund Balance</b> |         |         |         |
| Fund Balance        | 43,811  | -4,286  | 25,614  |
| Total Fund Balance  | 311,344 | 267,533 | 271,819 |
| <b>Endowment</b>    |         |         |         |
|                     | 73,472  | 69,148  | 62,800  |

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## **Municipal Service Review Determinations**

This portion of the report addresses the factors specified in the governing statute for Municipal Service Reviews, Government Code Section 56430.

### **1. Growth and Population Projections for the Affected Area**

The services that Cemetery Districts provide do not affect population growth or decline. The services and facilities provided by these agencies do not affect the rate or location of residential or other types of growth or land use change. However, increases in population may affect the operations of cemetery districts'. Those districts' that may anticipate and increase in population include: Arroyo Grande, Paso Robles and to a lesser extent Templeton and Atascadero.

### **2. Present and Planned Capacity of Public Facilities and Adequacy of Public Services, Including Infrastructure Needs or Deficiencies**

Presently, all Cemeteries have capacity to meet the district needs. Overall, the Cemeteries are well maintained with adequate water supplies for irrigation. Determinations about Infrastructure Needs and Deficiencies for each Cemetery District are shown above by the projections of available capacity for future interments. Information for this determination was not received from the following District's: Adelaida, Shandon, and Estrella-Pleasant Valley Cemetery Districts.

### **3. Financial Ability of Agencies to Provide Services**

Most Districts' have an established fee schedule and endowment fund. In accordance with California Health and Safety Code Section 9065, the endowment fund principle may never be spent for any purpose. Under the law, the function of the endowment is to provide for continuous maintenance and care of the cemetery through the use of interest earned on the principal.

Each Board of Trustees adopts an annual budget and oversees expenditures throughout the fiscal year. Annual audits are typically submitted to the County Auditor,

pursuant to the Health and Safety Code Section 9070. In reviewing the last three years of audits, all Districts' were shown to be in conformity with generally accepted accounting principles with the exception of Adelaida Cemetery and Estrella-Pleasant Valley Cemetery for which Annual Audits were not available for any of the last three years. The financial circumstances affecting the districts vary, with some common parameters. A primary source of ongoing revenue is property tax, the growth of which is dictated by the circumstances of each community. The sale of lots, interments, fees, and other services are another important source of revenues.

#### **4. Status of, and Opportunities for, Shared Facilities**

The District's operate with minimal staff, are self sufficient and efficient. Due to the distances between cemeteries and the close association of each one with their individual communities, there are no apparent opportunities for shared facilities. Paso Robles Cemetery assists with Estrella-Pleasant Valley Cemetery as needed.

#### **5. Accountability for Community Service Needs, Including Governmental Structure and Operational Efficiencies**

A government structure option that might be considered includes consolidation of two cemetery districts (Adelaida and Estrella-Pleasant Valley) which may have operational or fiscal benefits by combining administrative and work crews, budgets and audits and so forth. We find these cemetery districts are uniquely related and tied to their specific communities. Members of the Board of Trustees are often long-time residents with deep roots in the community. The care, appearance and operation of the cemetery are personally important to them because of family and friends.

#### **Consolidation Process Disadvantages & Advantages**

Consolidation means the uniting or joining of two or more districts into a single new successor district. A consolidation proposal could be initiated by the Board of Supervisors, LAFCO, registered voters, landowners, or the special districts. Provisions of Cortese Knox Hertzberg Local Government Act of 2000, which governs changes in local government, also provide for a streamlined consolidation process if the boards of

both districts find that consolidation is in the best interest of residents and adopt similar resolutions of application for consolidation. Pursuant to Government Code Section 56853, if the Board of Directors of each District proposing Reorganization adopted substantially similar resolutions of application for proceedings the Commission would not have the discretion to amend, modify, or deny the proposal. Government Code Section 56853 provides the following:

*“If a majority of the members of each of the legislative bodies of two or more local agencies adopt substantially similar resolutions of application making proposals either for the consolidation of districts or for the reorganization of all or any part of the districts into a single local agency, the commission shall approve, or conditionally approve, the proposal. The commission shall order the consolidation or reorganization without an election, except as otherwise provided in subdivision (b) of Section 57081.”*

If a proposal is initiated by any group or agency, except LAFCO<sup>1</sup>, it would be subject to a LAFCO hearing and if approved by LAFCO, a protest process in which 25% of the registered voters or landowners within either of the districts would trigger an election.

Typically, with regard to operating revenues, a consolidated district would inherit the property tax shares and other revenues of the predecessor district. In the case of Adelaida and Estrella-Pleasant Valley Cemetery Districts property tax is not collected making it one of the difficulties to provide adequate services. Under a LAFCO initiation, two studies will generally be conducted prior to a LAFCO consideration. Initially, a Sphere of Influence or a Special Study will be conducted in accordance with State Law (§56425, & §56378). Based on the conclusions of the first study will determine whether to conduct a Reorganization Study to comprehensively investigate proposed changes of organization. Within 60-days of the adopted Commissions Resolution the affected agency may submit a substantially similar resolution for which LAFCO will process the proposal in accordance with policy and procedures and take no further action on the Reorganization Study.

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<sup>1</sup> LAFCO initiated proposals require an election if 10% of the registered voters or landowners within either district submit written protest and if there is an election, majority voter approval would be required by voters in both district boundaries.

Prior to approving the proposal the Commission must determine that the public service costs are likely to be less than or substantially similar to, the cost of alternative means of providing the service (§56881(b)(1)), and find that the change of organization promotes public access and accountability for community service needs and financial resources (§56881(b)(2)). While consolidations lessen local representation, they do not decrease the accountability and responsibility of representative governance. A consolidation requires board members to represent a greater number of residents. The new board must act in a responsible manner representing the new service territory with differing degrees of service issues, with a greater number of constituents. Another unique concern with the Estrella-Pleasant Valley Cemetery would be the deed restriction placed on the land that does not allow fees to be charged making it that much harder financially to offset the costs.

## **6. Any Other Matter Related to Effective or Efficient Service Delivery, as Required by Commission Policy**

### **Cost-Avoidance Opportunities**

Statutes strictly establish the manner in which cemeteries operate and the manner in which cemetery districts carry out their activities. The "Guide to Public Cemetery Operation," published by the California Association of Public Cemeteries, includes State laws pertaining to the operation of public cemeteries. There are no obvious opportunities to avoid costs other than possible savings that might result from functional consolidations in which certain activities or staff are shared between two or more cemetery districts. There may be benefits for individual districts and communities if there were a common work force that could be applied to cemeteries where specific work is needed. Likewise, having a single financial staff shared by two or more districts may be more efficient than the current system for accounting, paying bills and personnel compensation and benefits.

## REFERENCES

- San Luis Obispo County Public Cemetery Districts Survey, 2010
- Correspondence from the Cemetery Districts, 2010
- Guide to Public Cemetery Operations, 2010
- California Department of Finance E-4 Report, 2010
- Independent Audits Submitted to the County Auditor-Controller, 2007-2009
- Annual Resource Summary Report, County Department of Planning and Building, 2009
- Regional Profile, Council of Governments, 2004
- Public Cemetery Districts Sphere of Influence & Municipal Service Review, 2002
- U.S. Census 2000, U.S Census Bureau

## Individuals and Agencies Contacted

Special thanks to the following public servants who provide our County residents with caring and compassionate cemetery services:

Jim Erb, San Luis Obispo County Auditor-Controller's Office  
Adelaida Cemetery District

Mike Marsalak, Arroyo Grande Cemetery District

Gilbert Cabrera, Atascadero Cemetery District

Douglas Spelts, Cambria Cemetery District

Jim Dority, Cayucos-Morro Cemetery District

Estrella-Pleasant Valley Cemetery District

Tom Flynn, Paso Robles District Cemetery

Monica Cisneros, San Miguel District Cemetery

Susan Molle, Santa Margarita Cemetery District

Jackie Laverenz, Shandon Cemetery District

Richard Dusi, Templeton Cemetery District

# PUBLIC CEMETERY DISTRICT SURVEY: 2010 - RESULTS



Please complete as indicated and return **NO LATER THAN AUGUST 31, 2010** to:

SLO LAFCO

1042 Pacific Street, Suite A

San Luis Obispo, CA 93401

Tel: 805-781-5795 Fax: 805-788-2072

## Survey

|   | Adelaida | Arroyo      | Atascadero | Cambria   | Cayucos   | Estrella | Paso                | San Miguel          | Margarita        | Shandon | Templeton              |
|---|----------|-------------|------------|-----------|-----------|----------|---------------------|---------------------|------------------|---------|------------------------|
| 1) Has your Board Meetings (date/time/place) changed?<br>If yes, please indicate any changes. | --       | No          | No         | No        | No        | --       | Yes                 | Yes                 | No               | --      | Yes                    |
|   |          | --          | --         | --        | --        |          | 4 <sup>th</sup> Mon | 3 <sup>rd</sup> Wed | --               |         | 3 <sup>rd</sup> Thurs. |
| 2) Has the District acquired or sold any land since 2002.                                     |          | No          | No         | No        | No        |          | No                  | No                  | No               |         | No                     |
| 3) Acres of undeveloped land.   |          | 23ac        | 50ac       | 1.5ac     | ½ac       |          | 14ac                | 2ac                 | None             |         | 7ac                    |
| 4) % of capacity occupied.  |          | 70%         | 30%        | --        | 80%       |          | 50%                 | --                  | 95%              |         | 63%                    |
| 5) Estimated Year at 100% capacity.   |          | 2050        | 2060       | 2047      | 2025      |          | --                  | 2070+               | 2011             |         | 2020+                  |
| 6) Number of Interments per year.   |          | 176         | 80-100     | 35-40     | 60        |          | 100-120             | 10                  | 25               |         | 20+                    |
| 7) Number of employees (FT/PT).   |          | 4FT         | 4FT - 1PT  | 1FT - 2PT | 3FT       |          | 4FT                 | --                  | 2PT              |         | None                   |
| 8) % of Revenue from property taxes.  |          | 20%         | 72%        | --        | 65%       |          | 53%                 | --                  | 98.5%            |         | 70%                    |
| 9) Current Endowment Fund in dollars.   |          | \$1,211,661 | \$798,033  | \$86,927  | \$320,775 |          | \$1,189,700         | --                  | \$16,000         |         | \$76,329               |
| 10) Current Fees charged, if any. (Attach Fee Schedule)                                       |          | Attached    | Attached   | Attached  | \$250     |          | Attached            | Attached            | --               |         | Attached               |
| 11) Has the District adopted or changed Operational Guidelines?<br>Please Attach              | --       | No          | No         | No        | No        | --       | Yes                 | No                  | No               | --      | No                     |
| 12) Has the District completed any capital improvements in the last 5 years? Please list.     |          | No          | Yes        | None      | No        |          | Yes                 | --                  | No               |         | Yes                    |
| 13) Does the District have any planned capital improvement projects?<br>Please list.          |          | No          | Yes        | Yes       | No        |          | Yes                 | No                  | Yes              |         | No                     |
| 14) What suggestions does the District have for a Sphere of Influence boundary?               |          | None        | None       | None      | None      |          | None                | None                | Pozo/<br>Carrizo |         | None                   |
| 15) Please provide a copy of the Budget for the last two years.                               |          | Attached    | Attached   | Attached  | Attached  |          | Attached            | Attached            | --               |         | Attached               |
| 16) Does the District carry adequate insurance coverage?                                      |          | Yes         | Yes        | Yes       | Yes       |          | Yes                 | Yes                 | Yes              |         | Yes                    |
| 17) Does the District prepare annual audits?  |          | Yes         | Yes        | Yes       | Yes       |          | Yes                 | Yes                 | Yes              |         | Yes                    |

*Space for additional comments/new information or corrections can be provided on a separate sheet.*

End of Survey

Thank you for your participation