

20.0 SARATOGA CEMETERY DISTRICT

The cemetery services that are provided by the Saratoga Cemetery District (District) are evaluated in this service review.

20.1 DISTRICT HISTORY AND SERVICE AREA

The District was created in 1927 to provide burials for residents or taxpayers of the District. The District operates in conformity with the provisions of Part 4 of Division 8 of the Health and Safety Code, beginning at Section 8890. This District is chartered by the California State Health and Safety Code Section 9000, known as the Public Cemetery District Law.

The District includes the Cities of Saratoga and Monte Sereno, in addition to unincorporated lands west of the cities to the County line.

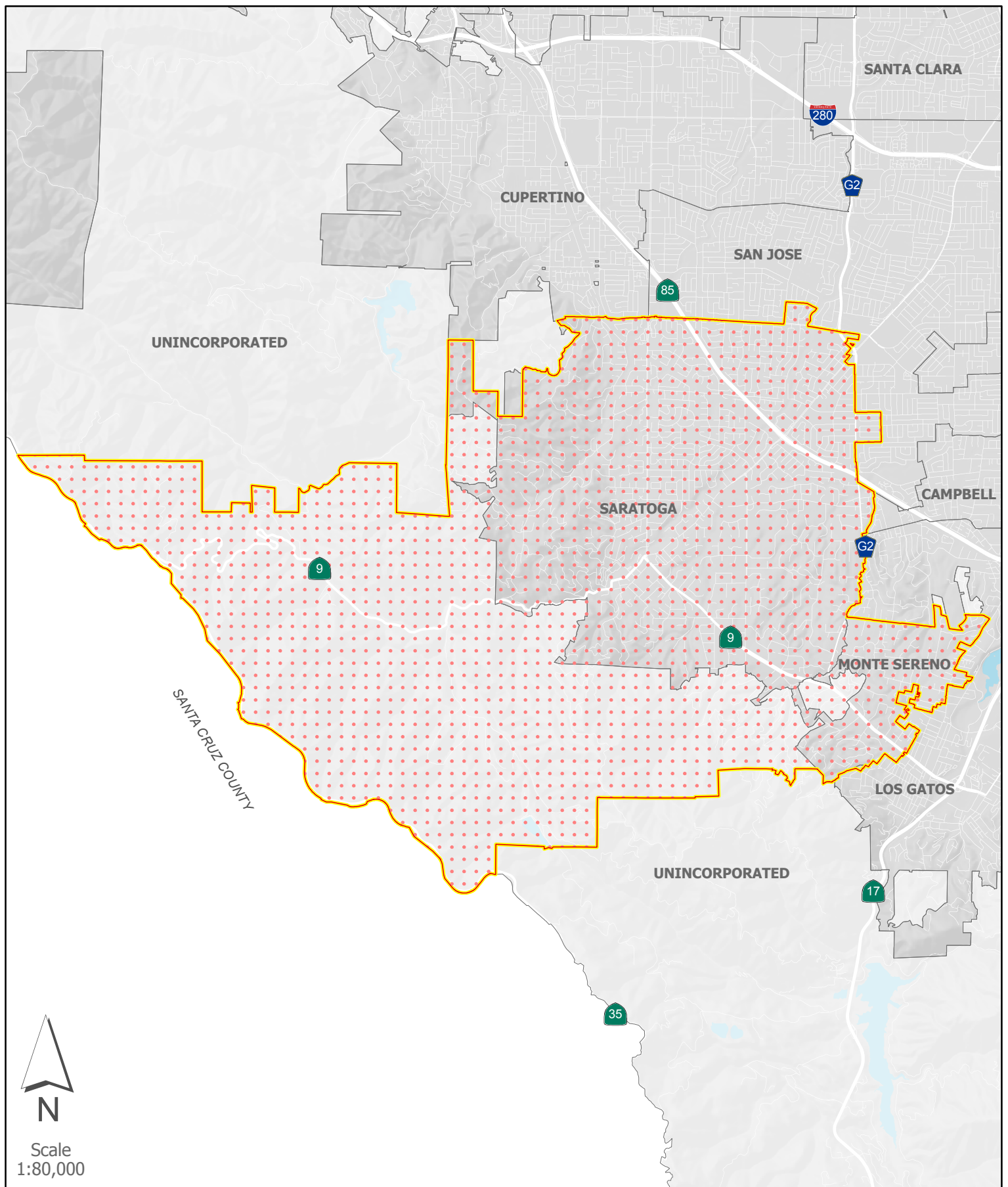
20.2 GOVERNANCE

The District is governed by a five-member Board of Trustees, appointed by the County of Santa Clara's Board of Supervisors, to serve a term of four years and receive a stipend of \$100 for each meeting.

Board meetings are held at the offices of the Saratoga Cemetery District on the second Wednesday of every month at 4:00 p.m. The Agenda is posted five days prior to the scheduled meeting on a bulletin board outside the District offices.

20.3 FINANCE

Each year the District Manager and Fiscal Officer prepare and submit an operating budget to the Board of Trustees no later than June of each year. Table 20.A presents the statement of activities for the District's revenue and expenses and its sources of revenue and expenses for fiscal years (FY) 2004 and 2005. Net assets increased by \$447,268 during FY 2005.



Saratoga Cemetery District



Boundary



Sphere of
Influence

Cities



Unincorporated



0 0.45 0.9 1.8 Miles

LAFCO
Local Agency Formation Commission of Santa Clara County

Table 20.A: Statement of Activities

| Governmental Activities | 2005 | 2004 |
|--|------------------|------------------|
| Expenses: | | |
| Cemetery operations: | | |
| Salary and benefits | \$184,574 | \$152,315 |
| Materials and supplies | \$164,672 | \$120,570 |
| Facilities | \$ 17,945 | \$ 30,295 |
| Interest on note payable | \$ 39,871 | \$ 62,525 |
| Pre-payment penalty on note payable | \$ 24,568 | \$ - |
| Depreciation | \$ 65,221 | \$ 65,523 |
| Total Expenses | \$496,851 | \$429,228 |
| Program Revenues: | | |
| Charges for services – cemetery operations | \$378,764 | \$326,421 |
| Total program revenues | \$378,764 | \$326,421 |
| Net program expense | \$118,087 | \$102,807 |
| General Revenues: | | |
| Property taxes | \$438,307 | \$434,048 |
| Interest earnings | \$ 94,216 | \$ 50,909 |
| Rental income – District house* | \$ 24,000 | \$ 24,000 |
| Other | \$ 8,832 | \$ 1,524 |
| Total general revenues | \$565,355 | \$510,481 |
| Change in net assets | \$447,268 | \$407,674 |

Source: Saratoga Cemetery District Annual Financial Report, June 30, 2005

* The District owns a house and a cottage, which are located on the District's property. Because the District is not utilizing these units, they are being rented.

Reserve Funds

As shown in Table 20.B, the District has established reserves. The District's reserves and the designations of funds are explained below.

- **Capital Projects Reserve.** This reserve is provided to fund necessary capital projects. Funds in this reserve are not "available" as a resource to meet expenditures in the coming year.
- **Endowment Reserve.** This is a State-mandated fund to provide for upkeep of the cemetery when other sources of funding have ceased or the cemetery is no longer operating.
- **Pre-need Reserve.** This reserve consists of funds that customers have provided for future burial services. These funds are not "available" as a resource to meet other expenditures. This is a fiduciary fund; the money does not belong to the District until it has been moved to the Maintenance & Operations fund to pay for interment expenses at the time services are rendered.

Table 20.B: Reserve Levels as of February 2007

| Reserve Fund | Amount |
|---|---------------|
| Land acquisition and capital improvements | \$1,329,414 |
| Endowment care | \$1,571,002 |
| Pre-need fund | \$347,140 |

Source: Gary Reed, Saratoga Cemetery District, February 2006.

Long-Term Debt

During FY 2005, the District paid its debt obligations in full; as of June 30, 2005, the District has no long-term debt.

Rates for Service

The District normally reviews service rates annually in July. Since the District is on a 3-year fixed price contract with its landscape maintenance and interment contractor, it did not review prices last year. The Board increased the rates for interment rights over a 4-year period to get them to the current price; the last increase was in July 2004. The District also increases the price of burial vaults as the cost to the District increases.

Investments

The District participates in the Santa Clara County Pooled Investment Fund. In addition, the District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California.

20.4 CEMETERY SERVICES

The District owns one cemetery (Madronia Cemetery), which is 12.5 acres and is located at 14766 Oak Street in the City of Saratoga. Through this facility the District provides cemetery plots and burials for the residents and taxpayers of the District, including the residents' qualified relatives.

The District has approximately 3,850 full grave sites available; only a small portion of these sites are in currently developed areas and available for sale. The majority of the grave sites are in areas to be developed in the future. The District also has many graves that have been sold, but not yet used. Additionally, there are half-graves for cremation interments and 111 double cremation niches currently available for sale. The District has approximately 40 years left before all graves would be sold out at the current sales rates. However, the District has stated that it is difficult to measure the length of time prior to build out of the cemetery because of many unknown variables such as ratio of full burials to cremation burials, ratio of in-ground cremation burials to cremation niche interments, number of people electing to bury double depth (two full caskets in a grave), and the number of graves lost to development (roads, trees, etc.).

As shown in Table 20.C, the District has averaged 101 burials within the last 10 fiscal years and has sold an average of 97 graves and 34 cremations within the last 10 years. Table 20.D shows sales statistics over the same period.

Table 20.C: Interment Statistics (FY 1996–2007 through FY 2005–2006)

| FY | Full Burials | Cremation Burials | Niche Burials | Total |
|----------------|---------------------|--------------------------|----------------------|--------------|
| 1996–1997 | 53 | 27 | 11 | 91 |
| 1997–1998 | 60 | 45 | 12 | 117 |
| 1998–1999 | 40 | 41 | 15 | 96 |
| 1999–2000 | 61 | 33 | 9 | 103 |
| 2000–2001 | 50 | 27 | 11 | 88 |
| 2001–2002 | 50 | 36 | 11 | 97 |
| 2002–2003 | 50 | 32 | 15 | 97 |
| 2003–2004 | 53 | 41 | 14 | 108 |
| 2004–2005 | 53 | 36 | 17 | 106 |
| 2005–2006 | 62 | 34 | 15 | 111 |
| Average | 53 | 35 | 13 | 101 |

Table 20.D: Sales Statistics (FY 1996–2007 through FY 2005–2006)

| FY | Graves | Cremation |
|----------------|---------------|------------------|
| 1996–1997 | 119 | 31 |
| 1997–1998 | 145 | 39 |
| 1998–1999 | 89 | 20 |
| 1999–2000 | 155 | 39 |
| 2000–2001 | 102 | 26 |
| 2001–2002 | 55 | 34 |
| 2002–2003 | 88 | 51 |
| 2003–2004 | 74 | 47 |
| 2004–2005 | 64 | 29 |
| 2005–2006 | 83 | 24 |
| Average | 97 | 34 |

The District has stated that it does not have infrastructure deficiencies per se; however, there are several projects under consideration and one in the planning stage. These future improvements include:

- Development of Magnolia Drive (this is where the annual Memorial Day services are held); the area will be paved with paving blocks and other street improvements made
- Construction of a chapel
- Development of current undeveloped area

- Installation of a scattering garden and additional cremation niches
- Purchase of any property contiguous with the existing cemetery when it comes available
- Purchase of an excavator

Given that the District is the only cemetery district in Santa Clara County, and that the District utilizes specialized equipment that needs to be available at all times for serving its constituents, the District has stated that no opportunities for shared facilities or equipment has been identified.

20.5 SERVICE REVIEW DETERMINATIONS FOR SARATOGA CEMETERY DISTRICT

The service review guidelines prepared by the State Office of Planning and Research recommend that issues relevant to the jurisdiction be addressed through written determinations called for in the Cortese-Knox-Hertzberg Local Government Reorganization Act of 1985 (CKH Act). Based on the above information, following are the written determinations for the District.

Infrastructure Needs and Deficiencies

1. The cemetery does not have any existing infrastructure deficiencies; however, the District is considering and/or planning several improvement projects in the cemetery.

Growth and Population

1. Based on Association of Bay Area Governments (ABAG) projections, the Cities of Monte Sereno and Saratoga are expected to experience a moderate growth rate of less than 0.5 percent annually through 2025. This growth is not expected to impact the District's service provision capabilities.

Financing Constraints and Opportunities

1. District revenues have exceeded expenditures within the last several years. Likewise, the District has budgeted for operating revenues to exceed expenditures in FY 2006 and 2007.

Cost-Avoidance Opportunities

1. The District has a 3-year fixed-price contract with its landscape maintenance and interment contractor. This arrangement allows the District to avoid unexpected costs and ensures that costs are reflected in the rates charged to customers.

Opportunities for Rate Restructuring

1. The District normally reviews service rates annually. The last increase was in July 2004.
2. The District increases the price of burial vaults as the cost to the District increases.

Opportunities for Shared Facilities

1. Because the District is the only cemetery district in Santa Clara County and utilizes specialized equipment, no opportunities for shared facilities or equipment have been identified.

Government Structure Options

1. The District is governed by a Board of Directors comprised of 5 members, all of whom are appointed officials by the County Board of Supervisors. No government structure options have been identified.

Evaluation of Management Efficiencies

1. The District provides services through a landscape maintenance and interment contractor. This arrangement is efficient, as the District does not need to manage individual employees; it simply manages the contracts for services. Additionally, the arrangement allows the District to efficiently contract for specific services, as needed.

Local Accountability and Governance

1. The District ensures that local accountability and governance standards are met by holding meetings pursuant to the Brown Act and having the agendas available at the District's office 5 days prior to the meetings.

20.6 SOI RECOMMENDATION FOR THE SARATOGA CEMETERY DISTRICT

Current SOI Boundary

The District's current SOI is coterminous on the east with the Cities of Saratoga and Monte Sereno and on the west with the Santa Cruz County line.

SOI Boundary Recommendation

It is recommended that the Local Agency Formation Commission (LAFCO) reaffirm the existing SOI for the District.

20.7 SOI DETERMINATIONS FOR SARATOGA CEMETERY DISTRICT

As detailed in Section 1.1, Government Code Section 56425 requires written determinations with respect to the following four factors to update an agency's SOI. Based on the information above, the following determinations are provided to update the District's existing SOI.

1. The Present and Planned Land Uses in the Area, including Agricultural and Open-Space Lands

The District encompasses the Cities of Monte Sereno and Saratoga and areas within the County. The area contains a wide range of land uses, including residential uses to large areas of hillside and open space uses. Generally, unincorporated areas are designated Rural County.

Finding: Planned land uses throughout the cities and County are generally similar to those of the existing uses.

2. Present and Probable Need for Public Facilities and Services in the Area

The cities are expected to experience low growth rates of 0.46 percent in Saratoga and 0.28 percent in Monte Sereno through 2025. The need for cemetery services would most likely increase with this growth.

Finding: The need for cemetery services is expected to increase along with population growth.

3. Present Capacity of Public Facilities and Adequacy of Public Services that the Agency Provides or is Authorized to Provide

Finding: The present level of services provided by the District appears to be adequate.

4. Existence of Any Social or Economic Communities of Interest in the Area if the Commission Determines that they are Relevant to the Agency

The District encompasses the Cities of Saratoga and Monte Sereno and unincorporated land west to the County line.

Finding: The District is part of the social and economic community of the Cities of Saratoga and Monte Sereno.