

## ***4. SARATOGA CEMETERY DISTRICT***

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### **AGENCY OVERVIEW**

Saratoga Cemetery District (SCD) was formed in 1927 as an independent special district. The District owns and operates the Madronia Cemetery in Saratoga. The maintenance and operation of this cemetery is the sole service provided by the District. A service review for SCD was last conducted in 2007.

Prior to the formation of the District, the Madronia Cemetery Association oversaw the operation of the cemetery from 1863 to 1927. The association needed further funds to maintain the cemetery and saw the formation of a district as a means of obtaining tax revenue for that purpose. Madronia Cemetery is the only cemetery within the District's bounds and continues to be heavily used by residents to this day.

The principal act that governs SCD is the Public Cemetery District Law.<sup>41</sup> The principal act authorizes the district to own, operate, improve, and maintain cemeteries, provide interment services within its boundaries, and to sell interment accessories and replacement objects (e.g., burial vaults, liners, and flower vases). The principal act requires the district to maintain cemeteries owned by the district.<sup>42</sup> Although the district may require and regulate monuments or markers, it is precluded from selling them. The law allows the district to inter non-residents under certain circumstances.<sup>43</sup> The law requires a cemetery district to establish and maintain an endowment care fund for the long-term care of burial plots.<sup>44</sup> Districts must apply and obtain LAFCO approval to exercise latent powers or, in other words, those services authorized by the principal act but not provided by the district at the end of 2000.<sup>45</sup>

There are 231 cemetery districts throughout California.<sup>46</sup> Saratoga Cemetery District is the only district of its type in Santa Clara County.

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<sup>41</sup> California Health and Safety Code §9000-9093.

<sup>42</sup> California Health and Safety Code §9040.

<sup>43</sup> Non-residents eligible for interment are described in California Health and Safety Code §9061, and include former residents, current and former taxpayers, family members of residents and former residents, family members of those already buried in the cemetery, those without other cemetery alternatives within 15 miles of their residence, and those who died while serving in the military.

<sup>44</sup> Health and Safety Code §9065.

<sup>45</sup> Government Code §56824.10.

<sup>46</sup> California State Controller, Special Districts Annual Report, FY 09–10.

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## Boundaries

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SCD bounds include the entire City of Monte Sereno, all of the City of Saratoga (except two small areas northwest of Prospect Road), three parcels in the City of Los Gatos, and unincorporated areas west of the cities to the Santa Clara/Santa Cruz county line.<sup>47</sup> The District encompasses approximately 28.8 square miles.

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## Sphere of Influence

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During SCD's most recent SOI update in 2007, LAFCO reaffirmed a sphere of influence coterminous with the District's boundary.

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## Types and Extent of Services

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### Services Provided

The District provides cemetery plots, burials, and maintenance of grounds for the residents and taxpayers of the District at the Madronia Cemetery. Services that the District provides includes sale of full-burial sites, half-burial sites for cremated remains, and niches within a columbarium also for cremated remains; opening and closing of the burial sites; and sale of the required vaults for both cremation and full-casket in-ground burials, as well as setting markers of different types. The District does not sell caskets or operate a funeral home or crematory.

### Service Area

SCD provides interments to property owners and residents of the District. Additionally, some former residents and residents' relatives are eligible for burial. Eligible former residents include those who purchased interment rights while they were residents, or those who lived in the District continuously for at least five years (in their last ten years) and who have a written request from a current resident that they be allowed to purchase interment rights. Family members of residents and former residents and family members of those already buried in the cemetery are also qualified for burial. According to California Health and Safety Code §9061, exceptions may also be made for those without a cemetery within 15 miles of their residence and those who died while serving in the military.

### Service to other agencies

SCD does not have any contracts to provide services to other public agencies.

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<sup>47</sup> With regard to the areas within the City of Saratoga but not in SCD, the City annexed one area adjacent to Prospect Road in 2006, that lie outside of the District's bounds. It is not clear when the other area was annexed to the City.

*Contracts for Services*

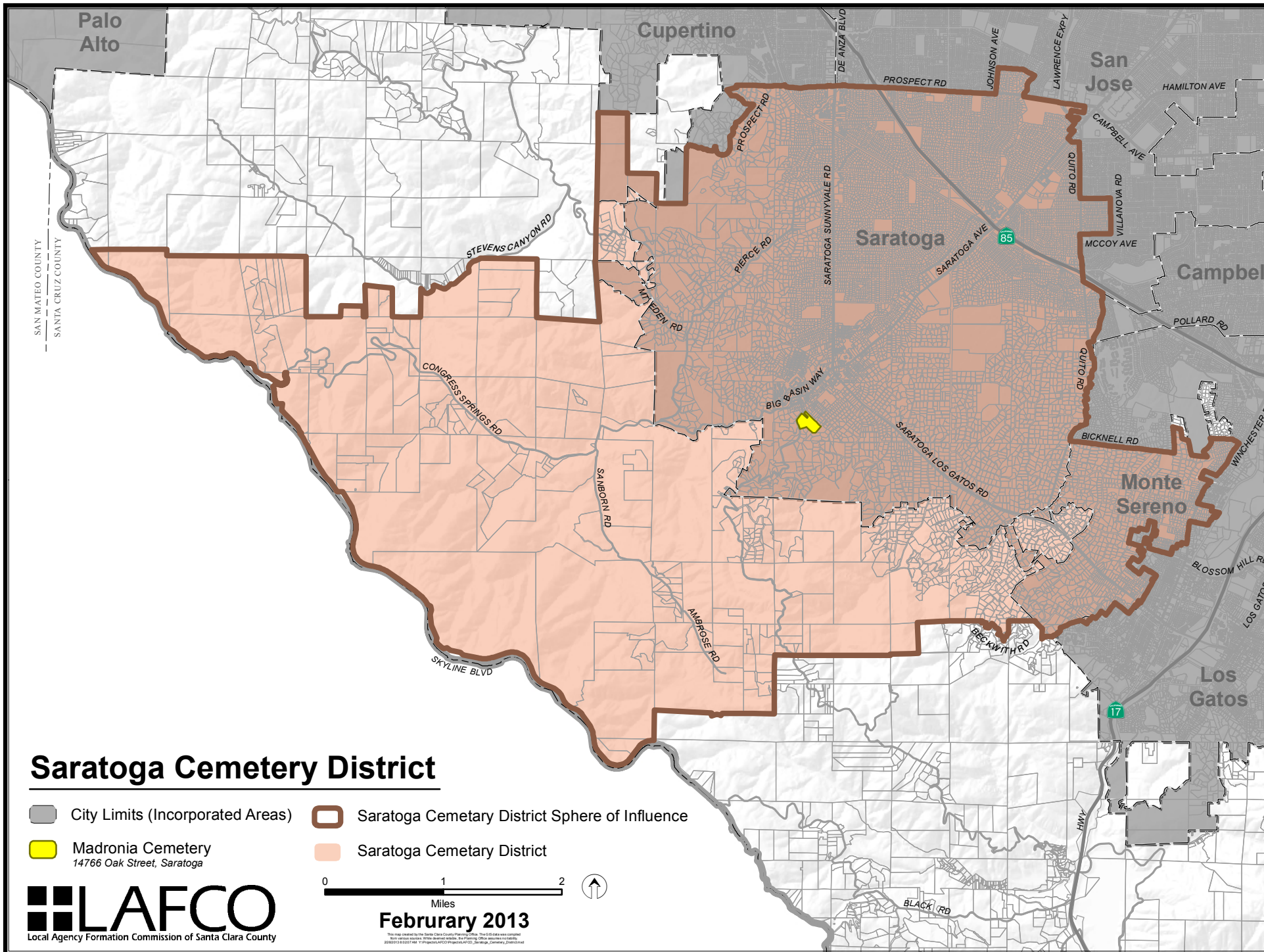
The Saratoga Cemetery District does not have any contracts with public agencies for service delivery at the cemetery.

*Collaboration*

The Saratoga Cemetery District does not collaborate with other public agencies in the delivery of cemetery services.

*Overlapping and Neighboring Providers*

Other providers of cemetery services that tend to overlap with cemetery districts are cemeteries associated with certain churches and private owners of cemeteries. In the case of SCD, there are no other cemetery facilities located within the District's bounds. The nearest cemetery facility is the privately-owned Los Gatos Memorial Park in Los Gatos. The Los Gatos Memorial Park is within the nearby vicinity of the District's bounds, and most likely serves some overlapping territory with SCD.



## ACCOUNTABILITY AND GOVERNANCE

SCD is governed by a five-member Board of Trustees. The County Board of Supervisors appoints all members of the Board, as required in California State Health and Safety Code §9021. The term of office for each member of the Board of Trustees is four years, with a three-term limit. The current member names, positions, and term expiration dates are presented in Figure 4-2.

**Figure 4-2: SCD Governing Body**

Figure 1-13-2016 Governing Body

| Saratoga Cemetery District   |  |               |               |                     |                |
|------------------------------|--|---------------|---------------|---------------------|----------------|
| District Contact Information |  |               |               |                     |                |
| Contact:                     | Gary Reed, General Manager   |               |               |                     |                |
| Address:                     | 14766 Oak Street, Saratoga, CA 95070   |               |               |                     |                |
| Telephone:                   | 408-867-3717   |               |               |                     |                |
| Email:                       | <a href="mailto:saratogacemetery@sbcglobal.net">saratogacemetery@sbcglobal.net</a> |               |               |                     |                |
| Website:                     | <a href="http://www.madroniacemetery.com/">http://www.madroniacemetery.com/</a>    |               |               |                     |                |
| Board of Trustees            |  |               |               |                     |                |
| Member Name                  | Position   | Began Serving | Term Expires  | Manner of Selection | Length of Term |
| Judy Johnstone               | Trustee  | May 2008      | December 2013 | Appointed           | 4 years        |
| Vicky Bosworth               | Chairperson  | May 2008      | December 2013 | Appointed           | 4 years        |
| James Nunn                   | Vice Chair   | October 2010  | December 2013 | Appointed           | 4 years        |
| Debra Cummins                | Finance Officer  | May 2011      | December 2014 | Appointed           | 4 years        |
| Wayne McIntyre               | Trustee  | November 2012 | December 2016 | Appointed           | 4 years        |
| Meetings                     |  |               |               |                     |                |
| Date:                        | Wednesdays at 5:00 pm (4 <sup>th</sup> Wednesday of each month)                    |               |               |                     |                |
| Location:                    | Faculty Lounge, Oak Street School, 14592 Oak Street, Saratoga                      |               |               |                     |                |
| Agenda Distribution:         | Posted online and at the District office   |               |               |                     |                |
| Minutes Distribution:        | Posted online and at the District office   |               |               |                     |                |

In the case of SCD, the District functions entirely within County Supervisorial District 5; consequently, the District 5 Supervisor is responsible for nominating appointees to the District and making a recommendation for appointment to the full Board of Supervisors.<sup>48</sup> While not formalized in a resolution or adopted policies, the process for soliciting members of SCD's Board of Trustees generally involves posting the vacancy on the County's website, district residents visiting the County's website and completing the appropriate application online. The process by which applications are solicited and interviews are conducted is entirely up to the responsible supervisor. There are no formal policies defining how openings are to be announced, how long the application period should be open, and the manner for interviews, etc. Because the District's board is entirely appointed and does not

<sup>48</sup> Resolution of the Board of Supervisors of the County of Santa Clara Relating to the Appointment Process for Districts and Committees Which Function Only within One Supervisorial District, adopted May 20, 2003.



conduct elections, the Registrar of Voters does not track the composition of the Board and term expiration dates and this information is not made available on the County's website.

The Board of Trustees meets on the fourth Wednesday of each month at the Oak Street School. Each Trustee receives a stipend of \$100 for each meeting attended, with a maximum of four meetings per month. Government Code §53235 requires that if a district provides compensation or reimbursement of expenses to its board members, the board members must receive two hours of training in ethics at least once every two years and the district has to establish a written policy on reimbursements. SCD is up-to-date on its biennial ethics training. The District has appropriately adopted a policy on expense reimbursements.

Meeting agendas are posted, the Friday before the meeting, on a bulletin board outside the district office, and published online on the District's website. The agenda is also mailed to members of the public who have requested notification. Meeting minutes are also posted on the District's website after adopting at the subsequent Board meeting. The District conducts constituent outreach in addition to legally required agenda posting via its website. The District's website provides information on the services provided by the District, including its policies, a fee schedule, a map of the cemetery, annual financial reports for FYs 09-12, a management report for 2010, and a development plan for an undeveloped portion of the cemetery.

The Board of Trustees have adopted policies and administrative regulations in lieu of bylaws. These policies and regulations have not been compiled into a single document that is available on the District's website as they are voluminous in nature. Pertinent policies and regulations are available on the District's website.

Government Code §87203 requires persons that hold office to disclose their investments, their interests in real property and their income, and file these forms with the Fair Political Practices Commission upon taking and leaving a position, as well as every year prior to April 1. All members of the Board of Trustees have filed the Form 700 Statement of Economic Interest forms in 2012.

## MANAGEMENT AND STAFFING

The District's Board of Trustees is responsible for governing the District, while a general manager oversees the day-to-day operations and supervises an assistant manager and office manager. The District has three employees as shown in Figure 4-3.

**Figure 4-3: Number of Authorized Positions for the Cemetery District, FY 13**

| Title             | Number of Authorized Positions |
|-------------------|--------------------------------|
| General Manager   | 1                              |
| Assistant Manager | 0.6                            |
| Office Manager    | 0.6                            |
| <b>TOTAL</b>      | <b>2.25</b>                    |

Source: Cemetery District General Manager

SCD retains private firms or individuals for legal services and ground maintenance. Anthony Condotti of Atchison, Barisone, Condotti and Kovacevich provides legal services when necessary. A contractor provides landscape maintenance and interment services. Additionally, the District has retained a certified public accountant to prepare the annual financial reports and annual financial transaction reports, as required by the State Controller under Government Code Section §53891. The District has contracts with the landscape/interment contractor and the accountant. Legal services are provided without a formal contract between the firm and the District.

The District has not adopted long-range plans or specific performance measures, but the Board has strategic goals with time frames for completing those goals. There are also annual performance evaluations for employees. Additionally, the District has adopted a mission statement, which states: "The Saratoga Cemetery District is a public, partially-tax supported special district, which maintains and operates Madronia Cemetery in order to provide for the interment needs of the district residents in perpetuity, while being respectful of the community, the history, and environment."

Other documents that the District uses to guide efforts and services include the annually adopted budget and a development plan for an undeveloped portion of the cemetery. The board adopted a budget for FY 13 in June 2012. The budget is not available on the District's website.

Government Code §53901 states that within 60 days after the beginning of the fiscal year each local agency must submit its budget to the county auditor. These budgets are to be filed and made available on request by the public at the county auditor's office. The County has reported that in recent years, it has not been the practice for special districts to file their budgets with the County. However, SCD has appropriately submitted its budget for the most recent fiscal year.

Special districts must submit a report to the State Controller of all financial transactions of the district during the preceding fiscal year within 90 days after the close of each fiscal year, in the form required by the State Controller, pursuant to Government Code §53891. If filed in electronic format, the report must be submitted within 110 days after the close of the fiscal year. The District has complied with this requirement.

All special districts are required to submit annual audits to the County within 12 months of the completion of the fiscal year, unless the Board of Supervisors has approved a biennial or five-year schedule.<sup>49</sup> The District's annual audit is prepared by the same certified public accountant that prepares the District's annual financial transaction reports. The District has filed their annual audits with the County. These audits are prepared annually for the District. The most recent audit prepared by the District was in September 2012 for fiscal year 2012.

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<sup>49</sup> Government Code §26909.

## POPULATION AND PROJECTED GROWTH

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### Land Uses

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

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### Current Population

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As of 2010, the District had a population of approximately 34,671 residents, based on GIS analysis of 2010 Census data. Of the District's population, approximately 86 percent reside in the City of Saratoga and 10 percent in the City of Monte Sereno, while the remaining four percent live in the unincorporated area of the District.

#### *Disadvantaged Unincorporated Communities*

LAFCO is required to evaluate disadvantaged unincorporated communities as part of this service review, including the location and characteristics of any such communities. A disadvantaged unincorporated community is defined as any area with 12 or more registered voters, or as determined by commission policy, where the median household income is less than 80 percent of the statewide annual median.<sup>50</sup>

The California Department of Water Resources (DWR) has developed a mapping tool to assist in determining which communities meet the disadvantaged communities median household income definition. DWR is not bound by the same law as LAFCO to define communities with a minimum threshold of 12 or more registered voters. However, the DWR data can be used for the purposes of this report as an indicator of any larger communities that may meet the income definition of disadvantaged. Based on mapping information from DWR, there are no disadvantaged unincorporated communities within or adjacent to SCD.<sup>51</sup>

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### Projected Growth

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While population projections specific to the District are not available, future population may be imputed from the Association of Bay Area Government's (ABAG) projections for the Cities of Saratoga and Monte Sereno and the unincorporated area. ABAG projects that the population of Saratoga remains unchanged between 2010 and 2035. The City of Monte

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<sup>50</sup> Government Code §56033.5.

<sup>51</sup> DWR maps and GIS files are derived from the US Census Bureau's American Community Survey (ACS) and are compiled for the five-year period 2006-2010.



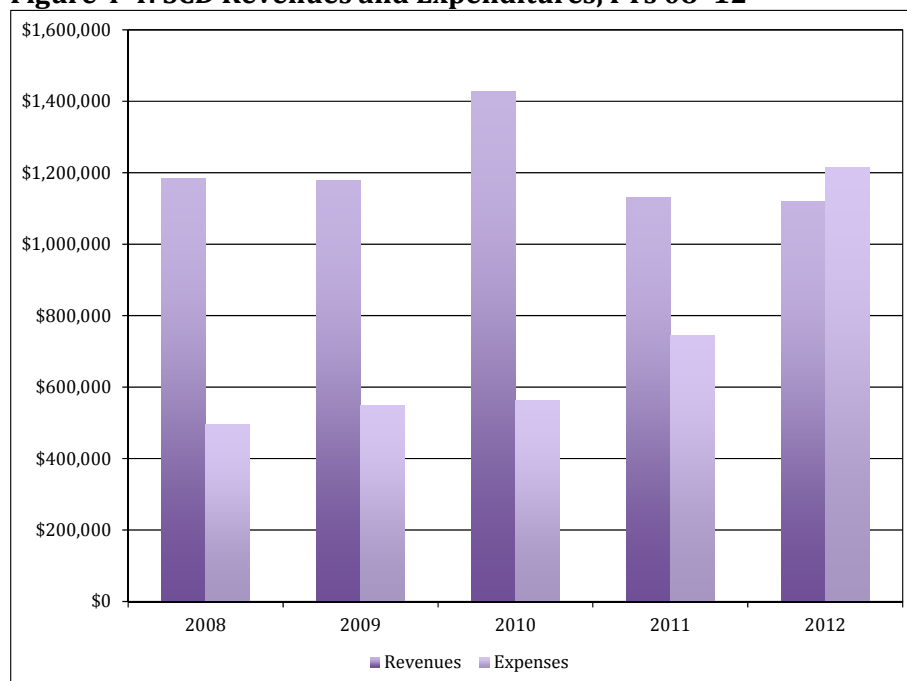
Sereno is anticipated to experience growth of approximately six percent over that same time period, while unincorporated areas are anticipated to grow by 19 percent. Should each area within SCD experience growth as projected by ABAG, then the District is anticipated to have overall growth of one percent over the 25-year period with a population of 35,138 in 2035.

## FINANCING

### Financial Adequacy

The District reported that the current level of financing is adequate to provide services. The revenue for the Cemetery District exceeded expenditures in four of the past five fiscal years (2008–2012), as shown in Figure 4-4. In FY 10, the District experienced a record number of interments, which caused revenues to peak that year. In FYs 11 and 12, the number of burials and associated revenues returned to previous levels. In FY 12, the District made planned capital investments, causing expenditures to exceed revenues in that year. These capital outlay expenditures were used primarily for the development of two acres of the cemetery for burial plots.

**Figure 4-4: SCD Revenues and Expenditures, FYs 08–12**



Source: FYs 2008 through FY 2012 annual financial reports

### Revenue Sources

In FY 12, the Cemetery District received \$1,119,884 in revenue from the sources depicted in Figure 4-5. The primary source of revenue for the Cemetery District is property taxes (58 percent). Sales and charges for service are 23 percent of revenues. The remaining

revenue is investment income derived from interest on investments, endowment fees, and miscellaneous revenue sources.

**Figure 4-5: SCD Revenue Sources, FY 12**

| Revenue Category    | Revenue            | % of Total Revenue |
|---------------------|--------------------|--------------------|
| Property Taxes      | \$645,537          | 58%                |
| Intergovernmental   | \$4,314            | 0%                 |
| Charges for Service | \$261,019          | 23%                |
| Investment Income   | \$147,936          | 13%                |
| Endowment Care      | \$28,146           | 3%                 |
| Other Revenue       | \$32,932           | 3%                 |
| <b>Total</b>        | <b>\$1,119,884</b> | <b>100%</b>        |

Source: Saratoga Cemetery District CAFR, FY 12

### Rates

SCD reviews its prices and adjusts its rates annually. The rates were most recently updated effective August 2012. All rates are available on the District's website.

Rates for a full-sized grave site range from \$2,000 to \$5,000, and half graves range from \$1,000 to \$2,500. These rates depend on the type of marker used (raised or flat) and the location of the plot within the cemetery. Niches for cremated remains range from \$1,200 to \$1,850, depending on the type of niche (bronze or granite) and the height of the niche. Each customer must pay an endowment fee, which is contingent on the price of the grave site. Endowment fees for grave sites range from \$175 for a half-sized site with a flat marker to \$650 for a full-sized grave with a raised monument. The endowment fee for the cremation niches is \$300 regardless of the type of niches purchased. In addition to these rates and fees, the District also charge for opening and closing of the site and for other related items, such as vaults.

Non-resident fees apply to anyone who is eligible for burial, but was not a resident or taxpayer of the District at the time of death. The amount of the non-resident fee varies depending on resident status (i.e., resident, former resident, non-resident) at the time of death and the type of service (i.e., full burial or cremation interment).

A comparison of rates was conducted by the Funeral Education Foundation—a non-profit corporation located in Palo Alto—of the cemeteries in Santa Clara and San Mateo Counties. The organization fields inquiries from families needing help in planning funerals. This survey was conducted in 2008 and consisted of responses by 11 cemeteries in Santa Clara County. The rates charged by SCD, at that time, were second lowest for a single full-grave site, and just below the median charged by all respondents for opening and closing graves and cremation niches.<sup>52</sup>

<sup>52</sup> Funeral Education Foundation, Cemetery Survey, 2008.

A review of current rates offered by a few private cemetery providers in the area shows that the District's rates continue to be lower than other non-public providers. While SCD charges \$2,000 for its cheapest full-grave plot, an informal survey of three other private providers shows that the cheapest full-grave sites range from \$4,400 to \$6,615, which is more than double SCD's rates.<sup>53</sup>

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## Expenditures

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Total district expenditures in FY 12 were \$1.2 million. Expenses in that year were unusually high, as the District had significant planned capital outlays, which comprised 61 percent of total expenditures. These capital expenditures were paid for out of the District's Land Acquisition and Capital Improvements Fund. In the previous four fiscal years, capital expenditures were minimal, and expenses consisted predominantly of services and supplies and salaries and benefits. Figure 4-6 presents a breakdown of district expenditures in FY 12.

**Figure 4-6: SCD Expenditures, FY 12**

| Expenditure Category  | Expenditures       | % of Total Expenditures |
|-----------------------|--------------------|-------------------------|
| Salaries and Benefits | \$204,443          | 17%                     |
| Services & Supplies   | \$265,274          | 22%                     |
| Capital Outlay        | \$744,396          | 61%                     |
| <b>Total</b>          | <b>\$1,214,113</b> | <b>100%</b>             |

Source: Saratoga Cemetery District FY 2012 CAFR

In FY 13, SCD expenditures are anticipated to return to previous levels. The District has budgeted for \$515,884 in expenditures during the year, of which 45 percent is anticipated to be used for salaries and benefits, 53 percent for operations, and two percent will be dedicated for reserves.

### Capital Outlays

SCD does not have a formal written five-year capital improvement plan; however, the District does plan ahead for major capital outlays by saving for anticipated projects in a dedicated capital fund and has developed an informal list of projects the District would like to accomplish over the next several fiscal years.

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## Reserves

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The District has not adopted any formal written policies and procedures regarding the purpose, use or the amount of reserves to maintained. SCD maintains three separate funds, including the General Fund for operating expenditures, the Capital Project/Land

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<sup>53</sup> Rates of other providers as reported via a phone conversation. Rates were reported as follows: Los Gatos Memorial Park - \$4,400, Alta Mesa - \$6,615, Oak Hill - \$5,195.

Acquisition Fund for capital improvements and land purchases, and the Endowment Fund to provide for the upkeep of the cemetery when other sources of funding have ceased or the cemetery is no longer operating. At the end of FY 12, the General Fund had an unrestricted fund balance of \$441,862, which is equivalent to 36 percent of FY 12 expenditures. In the same year, the Capital Project/Land Acquisition Fund had an ending balance of \$3,089,747, of which the entire balance was reserved for future capital projects.

Cemetery districts are required to establish an endowment care fund and may only use the interest of the fund to finance the care of the facilities.<sup>54</sup> SCD's Endowment Fund had a balance of \$2,237,864 at the end of FY 12. In that year, the District had interest income of \$65,023 on its Endowment Fund, which it could use for maintenance of the facilities; however, no expenditures were made from this fund in FY 12. The District's current endowment fee, which is charged on each burial, exceeds the endowment fee required by the District's principal act.<sup>55</sup> However, the total Endowment Fund necessary for a cemetery to guarantee continued maintenance depends largely on the endowment fee collected, the number of years that the cemetery will continue burial operations, over which period the endowment fund may continue to grow, as well as the expected life span of large capital assets. It is recommended that the District conduct an analysis of its endowment fee, the anticipated growth of its Endowment Fund until the cemetery has reached capacity, and a long-term capital needs assessment, for the period after the cemetery is full, to ensure that the fees are sufficient to meet the future needs of the cemetery.

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## Debt

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SCD did not have any long-term debt at the end of FY 12.

## INFRASTRUCTURE AND FACILITIES

The District owns one cemetery—Madronia Cemetery—located at 14766 Oak Street in Saratoga. This cemetery is the District's sole asset. The cemetery is 12.5 acres, of which a total of 10.5 acres of the cemetery have been developed, and two acres remain undeveloped. (A developed area has lawn, which is irrigated, and is laid out for sale and burial.)

At the current rate of sales, the District estimates that it has sufficient grave sites to handle demand for the next 43 to 50 years before reaching maximum capacity. The number of available grave sites by type are shown in Figure 4-7 and discussed in more detail below.

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<sup>54</sup> Health and Safety Code §9065.

<sup>55</sup> Health and Safety Code §8738.

**Figure 4-7: SCD Available Grave Sites**

|                 | Total Available | Sold but Unused | Unsold and unused |
|-----------------|-----------------|-----------------|-------------------|
| Full grave      | 5,665           | 1,733           | 3,892             |
| Half grave      | 465             | 110             | 355               |
| Cremation Niche | 393             | 113             | 280               |

Full-grave sites are for casket internments. It is unknown how many used full-grave sites the Madronia Cemetery has. At present, approximately 5,665 sites are not occupied. Of these grave sites 1,733 are sold but currently unused, 941 are unused and unsold and in developed areas, and 2,951 are unsold, unused, and are in undeveloped areas. A majority of available grave sites (52 percent) are in areas that will be developed in the future.

It is unknown how many full half-grave sites the cemetery has. These half-grave sites are for cremation interments. There are approximately 465 unused half graves, which includes 110 that are sold and 355 that are unsold. Of the unsold sites, 184 or 52 percent are in developed areas, while the remaining 171 are in undeveloped areas.

The cemetery has a columbarium with niches where urns containing cremated remains are placed. The columbarium has 393 unused niches—113 sold niches and 280 available for sale.

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## Infrastructure Needs

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SCD has developed a list of projects to be completed over the next several years. In FY 13, the District plans to focus on construction of screening for the water well and updating the hardware and software for the District's computer system. In subsequent years, the District has planned for the following improvements: fixing the storage shed door; creating a scattering garden for cremations; planting trees in the back of the cemetery; replacing the dying magnolia trees; renovating the general manager's building; developing perimeter fencing; and screening a few areas of the cemetery.

Besides these structural and capital improvements, some long-term goals of the District include remodeling the existing buildings, reusing the old Madronia Cemetery sign, and creating a cenotaph with pump shelter.

The cemetery and associated buildings, while reflective of their age, appear to be reasonably maintained. No critical deferred maintenance issues were identified over the course of this review.

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## Shared Facilities

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SCD does not share any facilities with other agencies or organizations.



## DEMAND FOR SERVICES

Demand for cemetery services is indicated by the number of burials in any given year, as well as the number of annual sales for grave sites.

Over the past 10-year period, the District has experienced an overall increase in the number of annual burials from 97 burials in FY 03 to 125 in FY 12, which is equivalent to an increase of 29 percent over that period. Also during that period, there has been a gradual trend in favor of cremation burials as opposed to full-body burials. Figure 4-8 presents 10-year interment trend data for the Madronia Cemetery.

**Figure 4-8: SCD Interments, FY 03-12**

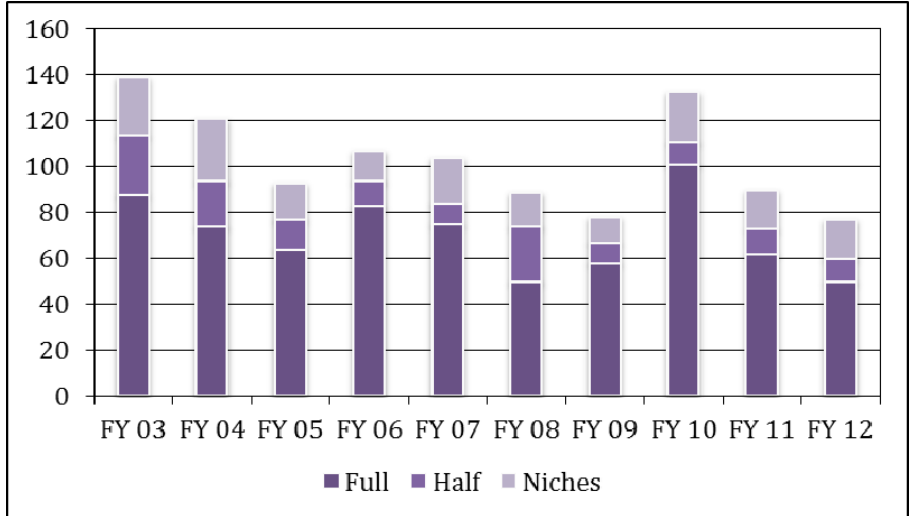
| Fiscal Year           | Number of Burials By Type |                   |               | Total Burials |
|-----------------------|---------------------------|-------------------|---------------|---------------|
|                       | Full Burials              | Cremation Burials | Niche Burials |               |
| FY 03                 | 50                        | 32                | 15            | 97            |
| FY 04                 | 53                        | 41                | 14            | 108           |
| FY 05                 | 53                        | 36                | 17            | 106           |
| FY 06                 | 62                        | 34                | 15            | 111           |
| FY 07                 | 64                        | 29                | 16            | 109           |
| FY 08                 | 45                        | 45                | 24            | 114           |
| FY 09                 | 57                        | 39                | 15            | 111           |
| FY 10                 | 69                        | 40                | 29            | 138           |
| FY 11                 | 62                        | 43                | 19            | 124           |
| FY 12                 | 61                        | 42                | 22            | 125           |
| <b>Annual Average</b> | <b>57.60</b>              | <b>38.10</b>      | <b>18.60</b>  | <b>114.30</b> |

Source: Saratoga Cemetery District, Interment Statistics, June 30, 2012.

The Madronia Cemetery appears to be the primary cemetery choice for people in the area. There were approximately 175 deaths within the District's bounds, based on Santa Clara County's death rate of 0.05 percent in 2010.<sup>56</sup> In that same year, there were 138 burials in Madronia Cemetery, of which 99 were residents and 39 were eligible non-residents. In that particular year, it appears that approximately 57 percent of potential customers chose Madronia Cemetery. Contrary to the District's burial trend, there has been an overall decline in grave site sales over the same 10-year period. The District went from a total of 139 sales of grave sites and niches in FY 03 to 77 sales in FY 12. This is attributable to the use of pre-sold sites in previous years. Figure 4-9 presents number of sales by type for Madronia Cemetery for the past 10 fiscal years.

<sup>56</sup> California Department of Public Health, Death Statistical Data Table 5-16: Deaths by Year of Death, California Counties, 2001-2010. 2011.

Figure 4-9: Sales by Type, FYs 03-12



Source: Saratoga Cemetery District, Sales Statistics, June 30, 2012.

GOVERNANCE STRUCTURE OPTIONS

No governance structure options were identified with regard to SCD.

## SARATOGA CEMETERY DISTRICT SERVICE REVIEW DETERMINATIONS

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### Growth and Population Projections

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- ❖ Saratoga Cemetery District's (SCD) population is approximately 34,671 people, based on GIS analysis of 2010 Census data.
- ❖ Should each area within SCD experience growth as projected by ABAG, then the District is anticipated to have a population of approximately 35,138 in 2035.

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### Location and Characteristics of any Disadvantaged Unincorporated Communities Within or Contiguous to the Sphere of Influence

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- ❖ There are no disadvantaged unincorporated communities within or adjacent to the District, based on mapping information provided by the State of California Department of Water Resources.

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### Present and Planned Capacity of Public Facilities and Adequacy of Public Services, Including Infrastructure Needs and Deficiencies

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- ❖ At the current rate of sales, the District estimates that it has sufficient space for burials for the next 43 to 50 years.
- ❖ The District appropriately meets all standards required by its principal act.
- ❖ There are certain improvements that could be made to operations, including long-term financial planning in the form of a rate study and adoption of a reserve fund policy.
- ❖ The cemetery and associated buildings, while reflective of their age, appear to be reasonably maintained. No critical deferred maintenance issues were identified over the course of this review.
- ❖ SCD has developed a list of projects to be completed over the next several years. In FY 13, the District plans to focus on construction of screening for the water well and updating the hardware and software for the District's computer system. In subsequent years, the District plans to fix the storage shed door; create a scattering garden for cremations; plant trees in the back of the cemetery; replace the dying magnolia trees; renovate the general manager's building; develop perimeter fencing; and screen a few areas of the cemetery.

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## Financial Ability of Agency to Provide Services

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- ❖ While rates are low compared to other providers, district funding appears to be sufficient to meet the agency's existing operational and capital needs, which allows the SCD to provide an adequate level of service.
- ❖ The revenue for the District exceeded expenditures in four of the past five fiscal years. In FY 12, the District made planned capital investments, causing expenditures to exceed revenues in that year.
- ❖ Compared to other service providers in the County, the District charges some of the lowest rates, particularly in comparison to private providers. It is recommended that the District conduct a rate study, taking into consideration long-term capital improvement needs, to ensure that rates, in particular endowment fees, are set at levels to ensure care of the facility in perpetuity.
- ❖ SCD maintained a healthy cash balance in its general fund to finance approximately four months of district operations should the need arise. Additionally, the District maintains a significant Capital Project/Land Acquisition reserve fund balance to fund any future capital needs, as well as purchase additional property that meets the particular needs of the District should the opportunity arise.
- ❖ The District has established an Endowment Reserve, as required by the State to provide for the upkeep of the cemetery when other sources of funding have ceased or the cemetery is no longer operating. Of the Endowment Reserve, the District may only make use of the interest earnings for maintenance of the facility. The District made no expenditures from this fund in FY 12. The District should conduct a formal review of the adequacy of the endowment care fund to determine if the fund balance will be sufficient to provide perpetual care to the cemetery facilities once it has reached maximum capacity, and adopt appropriate and prudent fees based upon that review.

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## Status and Opportunities for Shared Facilities

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- ❖ The District does not share any facilities with any other agencies or organizations. No opportunities for facility sharing with other public agencies were identified.

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## Accountability for Community Services, Including Governmental Structure and Operational Efficiencies

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- ❖ The District generally demonstrated accountability and transparency with regard to governance by adopting a mission statement, adopting an annual budget prior to the start of the fiscal year, publishing agendas for public meetings as legally required, filing of Form 700 Statement of Economic Interest and completion of ethics training

by all board members, and by maintaining a website where information is made available to the public.

- ❖ Improvements could be made to the District's operations in order to enhance accountability and transparency. The District should make available on its website its comprehensive policies and administrative regulations.



## SARATOGA CEMETERY DISTRICT SPHERE OF INFLUENCE UPDATE

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### Existing Sphere of Influence Boundary

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SCD's SOI is presently coterminous with its bounds.

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### Recommended Sphere of Influence Boundary

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It is recommended that LAFCO reaffirm the District's coterminous SOI.

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### Proposed Sphere of Influence Determinations

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#### *The nature, location, extent, functions, and classes of services provided*

- ❖ The District provides cemetery plots, burials, and maintenance of grounds for the residents and taxpayers of the District at the Madronia Cemetery. Services that the District provides includes sale of full-burial sites, half-burial sites for cremated remains, and niches within a columbarium also for cremated remains; opening and closing of the burial sites; and sale of the required vaults for both cremation and full-casket in-ground burials, as well as setting markers of different types.
- ❖ SCD provides interments to property owners and residents of the District. Additionally, some former residents and residents' relatives are eligible for burial.

#### *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 unincorporated areas within the County. The area contains a wide range of land uses, including residential uses, and large areas of hillside and open space uses.
- ❖ While the District's bounds and proposed SOI do include some agricultural and open space lands, the proposed SOI is not anticipated to impact these lands.

#### *Present and probable need for public facilities and services in the area*

- ❖ Approximately, 57 percent of potential resident customers chose the District's cemetery facilities. Given the lack of other nearby public cemetery options, demand for the District's services is anticipated to endure.
- ❖ Over the past 10-year period, the District experienced an overall increase in the number of annual burials, equivalent to an increase of 29 percent between FY 02 and FY 12. Also during that period, there has been a gradual trend in favor of cremation burials as opposed to full-body burials.

- ❖ The District is anticipated to have overall growth of one percent over the 25-year period from 2010 to 2035. This increase in population is anticipated to have a minimal impact on demand for the District's services.

*Present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide*

- ❖ At the current rate of sales, the District estimates that it has sufficient space for burials for the next 43 to 50 years.
- ❖ The District appropriately meets all standards required by its principal act.
- ❖ There are certain improvements that could be made to operations, including long-term financial planning in the form of a rate study, and adoption of a reserve fund policy.
- ❖ The cemetery and associated buildings, while reflective of their age, appear to be reasonably maintained. No critical deferred maintenance issues were identified over the course of this review.

*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 a majority of the social and economic communities of the Cities of Saratoga and Monte Sereno. The City of Saratoga is considered a divided community of interest given that two small incorporated areas extend outside of the District's bounds.