

BARSTOW CEMETERY DISTRICT DBA MOUNTAIN VIEW MEMORIAL PARK

SUMMARY

The Barstow Cemetery District is one of the very few Independent Special District Cemeteries in the County. The Cemetery was created in 1937. The County took it over in 1947 as a Special District. The Barstow Cemetery District is a very small operation. They have a Superintendent who manages the Cemetery, a part time office assistant, and three groundskeepers. The governing board is made up of five members. They do not have a bookkeeper and the County's Auditor Controller/Recorder's (ACR) office pays all of their bills. Since they are an Independent Special District, the County's Special District Department has no oversight of this Cemetery and plays no ongoing role. The Local Agency Formation Commission (LAFCO) for the County has the only oversight on Independent Districts. They provide a "Sphere of Influence" review every 4 1/2 years and can recommend that an Independent Special District be dissolved. In the fall of 2008, the Barstow Cemetery District's Sphere of Influence review gave them a score of '0' and recommended their dissolution. As of this date, this action has not taken place.

Government Code Section 56076 defines a sphere of influence as "a plan for the probable physical boundaries and service area of a local agency as determined by the commission." In simple terms, a sphere of influence is a planning boundary within which a city or district is expected to grow into over time. The purpose of a sphere of influence is to encourage the "logical and orderly development and coordination of local government agencies so as to advantageously provide for the present and future needs of the county and its communities."

The LAFCO “Sphere of Influence” review listed the following issues:

1. The District is non-responsive to LAFCO’s multiple Public Records Act requests for Data to complete the mandatory Municipal Service Review/Sphere of Influence update as well as written requests from the ACR for submission of monthly financial statements, annual budgets and annual Audits, as required by Health & Safety Code 9007 (Public Cemetery Law) and Government Code 26909. As of November 18, 2008, the ACR indicated that they had just received the Audit for FY 2004-05.
2. Large sums have been transferred from the endowment fund to the operating fund. Pursuant to Public Cemetery District Law, only interest and gains may be utilized from the Endowment Fund. Since the District only submitted audits for FY 2003-04 and FY 2004-05, LAFCO was unable to determine with certainty that principal was transferred.
3. Unusually high benefit payments for only two employees. LAFCO reported that the benefit payments during FY 2006-07 were approximately 85% of salaries.
4. Unusually high payments for retail water and fuel for motor vehicles charged to the District.

METHODOLOGY

Grand Jury members conducted interviews with the following during the course of this investigation:

1. Barstow Cemetery District personnel on Thursday, December 3, 2009.
2. LAFCO Executive Officer on Monday, March 29, 2010.

3. Barstow Cemetery District personnel and Board Members on Thursday, April 8, 2010.
4. Director of Special Districts on Tuesday, April 20, 2010.

In addition to these interviews, Grand Jury members also reviewed various publications regarding the workings and responsibilities of LAFCO, Special Districts and California Association of Special Districts to become familiar with how they affect the workings of a Special Cemetery District. They also reviewed the most recent Audit of the Barstow Cemetery, the ACR's Financial Accounting System (FAS) report, the LAFCO meeting minutes discussing the Cemetery's Sphere of Influence report and Government Code Section 56425-56434.

FINDINGS

The Grand Jury's investigation into this issue found the following.

1. The Cemetery management claims they have never been informed of the requirements regarding submitting monthly financials and annual budgets.
2. The Cemetery does submit annual Audits, but their Audits are generally received 2 years after the period of time for which they are done.
3. Since the ACR pays all of their bills, the Cemetery is of the opinion that the ACR maintains their books. The ACR sends them a monthly report (approximately 54 pages) titled "Report Distribution System" and referred to by the County as a FAS report. The Barstow Cemetery people are of the opinion that this is a financial statement.

4. The Barstow Cemetery Superintendent states that they know nothing about transfers from their Endowment Funds. They claim the ACR does that.
5. Regarding the high cost for employee benefits, there are actually five employees, not two as LAFCO indicated. Also, because of their low salaries, the Cemetery Board authorized a good health insurance plan for the employees. And with only five employees, the cost for benefits is very high, both for health insurance and worker's compensation. They are not covered in the County system where they could receive much lower premiums if they were allowed to participate.
6. The high cost of water is due to the fact that they had three wells but they have all gone dry. When they looked into re-digging a well, they were told there was no water under their property and they had no choice but to use retail water.
7. With agreement of the Barstow Cemetery District and the County, the County Special Districts Department could transfer the Cemetery to a County Controlled Special District.

RECOMMENDATIONS

- 10-32 LAFCO, Special Districts and the ACR's office need to set up a meeting with the Cemetery Supervisor and the Board of Directors and provide them with understandable guidelines and rules they are to follow. (Finding 1)
- 10-33 Special Districts needs to look into taking over the Cemetery and determining what changes would have to be made in order for the Cemetery to afford this change over. (Finding 7)