

Public Review Draft

Pajaro Valley Public Cemetery District Service and Sphere Review



April 2015



Local Agency Formation Commission
of Santa Cruz County
701 Ocean Street, Room 318D
Santa Cruz CA 95060

– PAJARO VALLEY PUBLIC CEMETERY DISTRICT –

Document's Purpose, Format, and Executive Summary

LAFCO periodically performs municipal service reviews (Government Code Section 56430) and updates, as necessary, the sphere of influence of each agency subject to LAFCO's boundary regulation (Government Code Section 56427). A sphere of influence is defined as a plan for the probable physical boundaries and service area of a local agency. This report has been prepared to analyze the Pajaro Valley Public Cemetery District. Specific service review and sphere determinations are listed at the end of the report.

The main conclusions of this document are:

- The Pajaro Valley Public Cemetery District is cemetery services in a cost-effective manner.
- The current Sphere of Influence for the Pajaro Valley Public Cemetery District is coterminous with the current boundaries of the District. No changes are recommended at this time.

Agency Overview

The Pajaro Valley Public Cemetery District, formed in 1955, serves the southern portion of Santa Cruz County and the portion of Monterey County north of Moss Landing. The District operates pursuant to the California Public Cemetery District Law (Health and Safety Code Sections 9000 – 9093). The District's service area encompasses 117.6 square miles with an estimated population of 70,000. The mission of the District is, "To provide efficient, cost effective burial services for the community, and provide maintenance to the cemeteries in a respectable, clean and safe manner that honors the loved ones of family, friends and the community at large." The District owns five cemeteries totaling 36 acres and provides a full range of burial services.

Population and Growth

The Pajaro Valley Public Cemetery District serves an area that is projected to have moderate growth over the next 25 years, primarily due to the City of Watsonville which is expected to have an average annual growth rate of 1.3%. This growth is challenge for the District due to the increased demand for services and limited availability of land for future expansion. According to the District approximately 1% of the community dies every year, and the District provides services for a portion of those deaths. Burial space is being used faster than in previous years due to a current trend for family members to purchase adjacent graves for future use. Further, the District is required to provide services to eligible non-residents, per the Health and Safety Code. To be eligible non-residents must already have an immediate family member (father, mother, sibling, aunt, uncle, grandparent, in-law, step-child/parent) buried in one of the cemeteries.

Infrastructure Needs and Deficiencies

The District currently operates the following cemeteries:

Cemetery	Acreage	Space Available (for sale)	Planned Expansion
Day Valley Cemetery (Meadow Road)	0.5	none	
Watsonville Catholic Cemetery (mountain side of Freedom Boulevard at Alta Vista)	6	none	
Pioneer Cemetery (ocean side of Freedom Boulevard at Marin)	15	0 burial lots 70 cremation lots 110 cremation niches	
Valley Catholic Cemetery (East Lake Avenue near Fairgrounds)	5	none	
Valley Public Cemetery (East Lake Avenue near Fairgrounds)	9	407 single depth graves 216 double depth graves 92 baby graves 572 cremation graves	331 single depth graves 377 double depth graves 1408 cremation niches

The District averages 175-200 burials per year. All the lots have been sold in the Day Valley and Valley Catholic Cemeteries; some were purchased in advance so there is some room for interments.

One of the challenges the District faces is the availability of land for future expansion. The District estimates that they have approximately 10 years worth of space available. The County's General Plan does not anticipate cemetery growth. General Plan policies preserving agricultural land limit the District's ability to acquire additional property adjacent to existing facilities. The establishment of the Central Coast Veterans Cemetery on the former Fort Ord may slightly reduce the demand for burials at the Pajaro Valley public cemeteries.

The District has a Capital Improvement Plan that identifies approximately \$1.19 million in projects. Projects will be funded with the District's regular revenues.

Financing Constraints and Opportunities

The District is funded through its share of the 1% property tax supplemented by service charges and plot sales. A summary of the District's finances, compared with two years of budget information from the last service review, is shown on the next page.

Pajaro Valley Public Cemetery District – Financial Summary						
		FY 2003-2004 Actual	FY 2004-2005 Budget	FY 2013-2014 Actual	FY 2014-2015 Budget	Budget % Increase 10 Years
Revenue -	1% Property Tax	\$454,713	\$313,500	\$647,466	\$573,500	83
	Grave Opening, Closing and Burial Services	\$68,930	\$52,000	\$159,326	\$137,500	164
	Plot, Vault, Crypt and Liner Sales	\$98,719	\$72,000	\$227,091	\$139,000	93
	Endowment Care	\$26,530	0	0	0	-100
	Interest	\$30,755	\$6,500	\$17,431	\$4,000	-38
	Other Revenue	\$5,519	\$5,000	\$40,409	\$4,000	-20
	Total	\$685,166	\$449,000	\$1,091,723	\$858,000	91
Expenses -	Salaries, Wages, Benefits	\$414,279	\$497,000	\$577,340	\$692,250	39
	Services and Supplies	\$94,142	\$166,000	\$169,068	\$219,250	32
	Other Charges	\$4,251	\$6,500	\$6,218	\$7,500	15
	Equipment, Buildings, Improvements	\$4,999	\$45,000	\$16,850	\$50,000	11
	Contingencies	0	\$15,000	0	\$15,000	0
	Total	\$517,671	\$729,500	\$769,476	\$984,000	35
Net Income		\$167,495	(\$280,500)	\$322,247	(\$126,000)	
Operating Transfers Out				\$150,000	\$300,000	
Endowment Fund (March)			\$586,254		\$1,134,164	93

The district maintains a capital outlay fund and three fiduciary funds. Their balances on June 30, 2013 are shown below:

Pajaro Valley Public Cemetery District – Funds Other Than General Fund	
	6/30/2013 Balance
Capital Outlay	\$2,457,461
Endowment Fund	\$1,027,094
Pre-Needs Service	\$277,447
Special Services	\$18,679

As required by the Health and Safety Code, the District started an Endowment Care Fund in 1984. The District may only use the interest toward maintenance of the cemetery. To date, none of the interest has been used as revenues have been sufficient to cover the necessary operating and capital costs.

Cost Avoidance Opportunities

The District is avoiding costs by implementing best management practices that maximize space use. The District is doing “pre-burials” in sections of Valley Public Cemetery which consist of placing the cement crypts in the ground in advance of need. The crypts are placed closer together (1½” apart) which allows for more burial plots per acre. In addition, the District now uses smaller gravesites. Traditionally gravesites were 4’ X 10’; the District is now consistently using 3’ X 8’ graves. With this size change, the District gains an additional row for every four rows of the former size and one new grave for every three of the larger graves. The District is constructing a 1400-niche columbarium.

The District also participates in a JPA for insurance, which controls the costs.

Management Efficiencies

The District is achieving management efficiencies through its staffing, which consists of a full-time manager, part-time secretary, and five full-time groundskeepers. The District operates under the oversight and guidance of a five-member Board of Trustees. The District’s last audit, issued by Berger Lewis Accountancy Corporation on June 29, 2014, was unqualified, meaning that no material deficiencies were identified.

Shared Facilities

The District uses the services of the County Auditor-Controller to perform its accounting functions. Due to the nature of the services provided, no other opportunities to share facilities with other agencies were noted.

Rate Restructuring

The District reviews its rate structure annually and makes adjustments based on changes in the cost of service. The following table compares the current rates with the rates ten years ago.

Resident Rates	FY 04-05	FY 14-15	% Increase 10 Years
Single Depth Burial	\$995	\$2,352	136
Double Depth Burial	\$1,455	\$2,853	96
Cremains	\$350	\$1,001	186
Mausoleum	\$4,500	Not Available	
Underground Vault	\$1,500	\$1,500	0

The District charges non-residents an additional \$400 for full ground burial, \$350 for children, and \$300 for cremation and babies.

Government Structure Options

The Pajaro Valley Public Cemetery District is an independent special district serving the southern portion of Santa Cruz County and the northern portion of Monterey County. The District operates pursuant to the requirements of Health and Safety Code §8890 et seq., providing for the long-term care and management of five public cemeteries. No other government structure options were identified. Property taxes provide approximately 67% of the district's revenues. Since Proposition 13 (1978), any land that is annexed to a cemetery district does not pay any property taxes to the district. Consequently, it is financially unfeasible to consider expanding the service area by expanding the districts' service area in Santa Cruz or Monterey County.

Local Accountability and Governance

The Pajaro Valley Public Cemetery District is governed by a five-member Board of Trustees. The Trustees are appointed to four-year staggered terms by the County Board of Supervisors through a public process. The Board of Trustees meets on the second Wednesday of each month at 2PM at the District's office. Public notice is provided through posting and the newspaper. The District does not have a website. The current board is as follows:

Board Member	Title	Term of Office	Compensation
Jo Ann Vear	Chairman	12/31/2017	\$100 per meeting
Edward Banks	Vice-Chairman	12/31/2017	\$100 per meeting
Patrick F. Carey	Trustee	12/31/2015	\$100 per meeting
Sam L. Mann, Jr.	Trustee	12/31/2017	\$100 per meeting
William George	Trustee	12/31/2015	\$100 per meeting

2015 Sphere of Influence Issues and Review

The District's boundaries and adopted Sphere of Influence are coterminous in both Monterey and Santa Cruz Counties. Property tax revenues constitute approximately 67% of the District's operating revenues. Since the passage of Proposition 13, cemetery districts do not get a share of property taxes from any properties they annex. Therefore, the District has little incentive to expand or contract. Neither the District nor the LAFCO staffs have identified any potential additions or deletions the District's Sphere of Influence. South of the District, in North Monterey County, parts of Prunedale are located outside any cemetery district. Monterey LAFCO will address potential expansion of the Castroville Public Cemetery District into those areas.

-SERVICE REVIEW DETERMINATIONS -

1) Population and Growth

The Pajaro Valley Public Cemetery District serves a 117.6 square mile area that covers the southern portion of Santa Cruz County and the portion of Monterey County north of Moss Landing. The current population of 70,000 in the area is expected to increase moderately over the next 25 years.

2) Disadvantaged Unincorporated Communities

Parts of the City of Watsonville and North Monterey County qualify as disadvantaged based upon the statutory definition of having a median household income of less than 80% of the statewide median. The District's services are available to disadvantaged residents of the Pajaro Valley.

3) Infrastructure Needs and Deficiencies

The District owns and maintains five cemeteries covering a total of 36 acres. Four of the cemeteries have no spaces remaining for sale, but they do have room for interments in previously sold plots. The District has less than 10 years worth of space remaining at the Valley Public Cemetery. The District recognizes this infrastructure need and is looking to acquire land for a new cemetery.

4) Financial Ability to Provide Services

- a) The Pajaro Valley Public Cemetery District is funded through the District's share of the 1% property tax, service charges and sales of cemetery plots, vaults, crypts and other associated items. Funding has been adequate to meet the operational and capital needs of the District.*
- b) The District maintains an endowment care fund in accordance with the Health and Safety Code. The District has not used the interest generated from the fund.*
- c) The Pajaro Valley Public Cemetery District reviews its rates annually and makes adjustments based on underlying cost increases.*
- d) The District charges an additional fee for services provided to non-residents.*

5) Shared Facilities

Due to the District's purpose and services offered, there are limited opportunities to share facilities with other agencies.

6) Accountability, Governmental Structure and Operational Efficiency

- a) The District is avoiding expansion costs by maximizing the use of available land. The District uses smaller gravesites and is implementing a pre-bury program where cement crypts are placed in the ground prior to need, allowing for tighter spacing. The District is preparing to construct a columbarium with 1400 niches.*
- b) The Pajaro Valley Public Cemetery District is an independent special district serving the southern portion of Santa Cruz County and part of northern Monterey County. The District operates pursuant to the requirements of Health and Safety Code §8890 et seq., providing for the long-term care and management of five public cemeteries. No other government structure options were identified.*

- c) *The Pajaro Valley Public Cemetery District is governed by a five-member Board of Trustees. The Trustees are appointed by the County Board of Supervisors. The District has procedures in place to ensure that standards for governance and public noticing are met.*

7) Other Matters: Mission Statement and Bylaws

The District is achieving management efficiencies through staffing and the direction and guidance provided by the Board of Trustees. The District operates with one full-time manager, one part-time secretary and five groundskeepers. The District's manager is experienced and has served on the Board of the California Association of Public Cemeteries. He shares his expertise with board members and managers of some of the smaller cemetery districts in the Monterey Bay region.

8) Local Accountability and Governance

The Pajaro Valley Public Cemetery District is governed by a five-member Board of Trustees. The Trustees are appointed by the County Board of Supervisors. The District has procedures in place to ensure that standards for governance and public noticing are met.

–SPHERE OF INFLUENCE DETERMINATIONS –

A. *The present and planned land uses in the area, including agricultural and open space lands.*

The Pajaro Valley Public Cemetery District serves a 117.6 square mile area that covers the southern portion of Santa Cruz County and the portion of Monterey County north of Moss Landing. Population in the area is expected to increase moderately over the next 25 years.

B. *The present and probable need for public facilities and service in the area.*

The service needs in the area are maintenance of the current five cemeteries, and expansion of cemetery facilities within 10 years.

C. *The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.*

The District owns and maintains five cemeteries covering a total of 36 acres. Four of the cemeteries have no spaces remaining for sale, but they do have room for interments in previously sold plots. The District has less than 10 years worth of space remaining at the Valley Public Cemetery. The District recognizes this infrastructure need and is looking to acquire land for a new cemetery.

D. *The 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 provides service to the Pajaro Valley. This is a social and economic community of interest which is relevant to the provision of public services provided by the Pajaro Valley Public Cemetery District.

Pajaro Valley Public Cemetery District			
Contact:	Robert Stanford, Manager		
Mailing and Office Site Address:	66 Marin Street, Watsonville, CA 95076		
Phone Number:	(831) 722-0310		
Fax Number:	(831) 786-8563		
Email/Website	pvcemetery@cruzio.com / No website		
Types of Services:	Cemetery management, burials and related services		
Population Served:	70,000		
Size of Service Area (sq miles):	117.6 sq miles		
Staff and Facilities			
Staff: FTE	5.5		
Cemeteries / Size	Day Valley Cemetery – 0.5 acres		
	Valley Catholic Cemetery – 5 acres		
	Watsonville Catholic Cemetery – 6 acres		
	Pioneer Cemetery – 15 acres		
	Valley Public Cemetery – 9 acres		
Financial Information			
Budget	Revenues	Expenses	Endowment Fund Balance
FY 2004-2005	\$449,000	\$729,500	\$586,254
FY 2014-2015	\$858,000	\$884,000	\$1,134,164

