

GOLETA CEMETERY DISTRICT

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July 11, 2006

Santa Barbara County Civil Grand Jury
Attention: Foreman
1100 Anacapa Street
Santa Barbara, CA 93101

Response of the Goleta Cemetery District to the Santa Barbara County Grand Jury Findings and Recommendations.

Dear Foreman of the Civil Grand Jury:

During its regular meeting of Tuesday, July 11, 2006, the Board of Directors of Goleta Cemetery District (the "District") adopted the following responses to the Grand Jury recommendations contained in the report entitled: WATER AND CEMETERY DISTRICTS, Do Special Districts Need Watching? The Board of Directors thanks the Grand Jury for its time and attention to these important matters.

RESPONSES TO FINDINGS AND RECOMMENDATIONS

FINDING 1: Water and cemetery district board members do not have adequate recent training to make informed decisions on many of the issues applicable to their districts.

Response: The District agrees with this finding as it pertains to the time period under review by the Grand Jury but notes that improvements have been made since that time. All District Board members will complete training mandated by AB1234 within the prescribed time limit.

RECOMMENDATION 1: Water and cemetery district *Board members* should receive training, by January 1, 2007, in all subjects mandated by Assembly Bill 1234 (for example, ethics), public agency accounting, how to read balance sheets and statements of activities, budget management, employment law, conflict of interest, and law relevant to district operations (for example, Brown Act Open Meetings Law).

Response: Being implemented. The Board has contacted County Counsel's Office and will attend the AB 1234 training to be offered by County Counsel. Additional training of District Board members will occur as seminars become available.

FINDING 2: Water districts generally follow better business practices than cemetery districts.

Response: The District agrees with this finding as it pertains to the District during the time period under review by the Grand Jury but notes that improvements have been made since that time. The District follows usual and customary practices in conducting cemetery business and operations.

RECOMMENDATION 2: Water and cemetery district *general managers* should receive training, by January 1, 2007, in all subjects mandated by Assembly Bill 1234 (for example, ethics), public agency accounting, how to read balance sheets and statements of activities, budget preparation and management, employment law, conflict of interest, and law relevant to district operations (for example, Brown Act Open Meetings Law).

Response: This recommendation has been implemented. District manager has completed training mandated by AB1234, and continues to work closely with and gain knowledge of accounting principles from the District accountant and the County Auditor-Controller's office; in addition to working with County Counsel's office and the Human Resources firm of HR Express. As in the training of District Board members, training of District manager continues as seminars become available.

FINDING 3: Cemetery districts have inadequate accountability mechanisms (for example, missing written procedures, no apparent operational oversight and little financial oversight).

Response: The District agrees with this finding as it pertains to the District during the time period under review by the Grand Jury but notes that improvements have been made since that time. The District thanks the Grand Jury for reminding it of the need for periodic review and enhancement of accountability mechanisms on all levels. The District has an independent auditor conduct an annual financial audit. Board members are exercising oversight in the management of the District and the Board is in the process of reviewing a new employee handbook to enhance written employment procedures.

FINDING 4: The Board of Supervisors does not supervise cemetery district board members or timely exercise its power to remove problematic district board members; this results in open-ended terms for cemetery board members, an insular culture, and decision-making based on whim.

Response: The District agrees with this finding as it pertains to the District during the time period under review by the Grand Jury but notes that improvements have been made since that

time. The Board of Supervisors is now more actively involved in District oversight. District's monthly meetings are open to both the public at large, and to members of the Board of Supervisors and their assistants.

FINDING 5: For cemetery and water districts, barriers to public participation include limited and nonexistent e-mail and fax access, spotty Board meeting noticing and minutes, and, for cemetery districts, impediments to administratively raising tenure and misconduct concerns (for example, the information gatekeeper role of the general manager).

Response: The District agrees with this finding as it pertains to the District during the time period under review by the Grand Jury but notes that improvements have been made since that time and agrees that public participation in District matters should be encouraged. District Board meetings are conducted regularly and consistently with written agendas and minutes. Written agendas are always timely posted in locations that are accessible and frequented by members of the public.

RECOMMENDATION 4: Public noticing of water and cemetery special district board meetings should meet or exceed Brown Act requirements, and the time and place of *noticing* should be explicitly printed on the meeting agenda.

Response: This recommendation regarding time and place of noticing will be implemented as of next month's agenda. Public noticing of the Board's meetings currently exceeds Brown Act requirements.

RECOMMENDATION 5: Water and cemetery special districts should have fax numbers and e-mail addresses, and should check their e-mail daily.

Response: This recommendation has been implemented. The District has a fax number and e-mail address, and both are checked continually during office hours. The District maintains active and open communication policy with all members of the public whether or not in an oversight capacity.

FINDING 6: Given that cemetery district board members cannot be voted out of office and are not being monitored by an oversight agency, it is up to the public to monitor district performance.

Response: The District disagrees with the finding so far as it implies that the Board of Supervisors does not exercise oversight over the District but agrees that members of the public should be encouraged to participate in District affairs.

FINDING 7: For the cemetery districts, although measures that are both feasible and widely recognized as good practice are available to improve decision-making and performance of board members, they are not used.

Response: The District agrees with this finding as it may pertain to the District during the time period under review by the Grand Jury but notes that improvements have been made since that time. The District is a member of the California Association of Public Cemeteries and the California Special District Association. Board members and the District manager periodically attend meetings, seminars, and training offered by these organizations, and receive all information distributed on a regular basis. The Board of Directors now includes members with experience and expertise in public decision making.

FINDING 8: Cemetery and water special districts resist even considering consolidation.

Response: The District disagrees with this finding. The Board has considered and rejected the idea of consolidation several times in the past.

RECOMMENDATION 10: Cemetery districts should assess, using an independent third party consultant, the advantages and disadvantages of consolidation with adjacent cemetery districts, and cemetery district boards should make a specific decision to pursue or not pursue consolidation with each cemetery district with which it shares a boundary.

Response: This recommendation will not be implemented because it is not warranted. The District thanks the Grand Jury for its recommendation regarding consolidation. This issue has been discussed at several Board meetings in the past. Because of the overriding importance of local control, accessibility to members of the public and community identity with a local cemetery district, the Board cannot support this recommendation at this time.

FINDING 9: Cemetery district governing boards are overly dependent on district general managers given the scarce recent training, token standard operating procedures, absence of criteria for decision-making, resistance to consulting legal counsel, and the fact that nearly all the information that comes to the board comes through the general manager or not at all.

Response: : The District agrees with this finding as it may pertain to the District during the time period under review by the Grand Jury but notes that improvements have been made since that time. The District Board has retained an independent auditor and County Counsel to ensure that information is available to them from sources other than the general manager. Periodic participation in Special District governance training seminars will continue to enhance the Board's governing ability.

RECOMMENDATION 6: Water and cemetery special districts should develop written policies on complaint processing, board action, employment, record retention, and, for cemetery districts, removal of board members for cause.

Response: This recommendation is being implemented. The District has just completed an “Employee Handbook” which includes a number of employee/employment related policies. The District will continue to work towards the completion of further written policy.

RECOMMENDATION 7: Water and cemetery special districts should keep minutes of all board meetings, and the minutes should state at least:

- 1) board member, staff and counsel attendance, by name;
- 2) number of attendees that are not board, staff or counsel; and
- 3) for each agenda item or other subject discussed,
 - a) a description of the item,
 - b) the action taken,
 - c) the facts on which the action is based, and
 - d) for each item that cannot be acted upon at the meeting, the issues that must be resolved *before* action can be taken and the person who is assigned to obtain the information needed to resolve the issue.

Response: This recommendation has been implemented. The District currently keeps minutes of all Board meetings with content conforming to the recommendation.

RECOMMENDATION 8: Water and cemetery special districts should contact their CPAs and attorneys annually and ask to be briefed on changes in the laws and other requirements applicable to their districts.

Response: This recommendation has been implemented. District CPA attends all monthly Board meetings and briefs the members and District manager in detail as to the District’s financial status. District counsel communicates with Board members on a regular, and as needed, basis.

RECOMMENDATION 9: For each action requested of a district board by the general manager, the board should require its general manager to state in writing the facts on which to base a reasonable conclusion that the request should be granted.

Response: This recommendation has been implemented. Board action requested by the District manager is ordinarily a Board meeting agenda item; thus a written record of the request and the Board’s response is maintained within the meeting minutes. Manager will include within each Board member’s monthly meeting packet any pertinent information relating to the specific item requested.

Thank you for this opportunity to provide these responses.

Sincerely,

Craig Geyer,
Board Chairman