

OAK HILL CEMETERY DISTRICT  
2560 Baseline Ave.  
Solvang, CA. 93463

August, 2011

Santa Barbara County Civil Grand Jury  
Grand Jury Suite 12  
411 E. Canon Perdido  
Santa Barbara, CA. 93101-7531

To whom it may concern:

In response to the findings and recommendations of the Santa Barbara Civil Grand Jury regarding local government post employment benefits, the Oak Hill Cemetery Board of Trustees submits the following response to the items listed for the District:

Based on the information provided by the Santa Barbara County Civil Grand Jury as written in the report of June, 2011:

**Finding 1a:** "Most public agencies in Santa Barbara County are participants in large defined benefit pension plan pools, which provide diversification, cost efficiency, spreading of risk, centralized management and centralized investment strategy."

**Oak Hill Cemetery District agrees.**

**Finding 1b:** "Public agencies in Santa Barbara County participating in defined pension pools know their current year required contribution and an estimate of the following year's contribution."

**Oak Hill Cemetery District agrees.**

**Finding 1c:** "Fitch Ratings is a global rating agency that has announced new disclosure requirements because current disclosure requirements make it impossible for Fitch to accurately allocate a cost-sharing multiple-employer system's unfunded pension liability to the numerous participating employers that use pools to provide pensions to their employees. Moody's Investor Service has begun to recalculate the states' debt burdens in a way that includes unfunded pensions. The Governmental Accounting Standards Board has stated that each government agency participating in a cost-sharing pension plan should report a net liability based on its portion of the unfunded obligation of all the participating governments."

**Oak Hill Cemetery District agrees.**

**Finding 1d:** "Unfunded long-term liability can have an important impact on future funding requirements that the ratepayer, taxpayer and each individual agency needs to know."

**Oak Hill Cemetery District agrees.**

**Finding 1e:** Public agencies in Santa Barbara County participating in defined benefit pension pools do not know their individual long-term unfunded actuarial liability."

**Oak Hill Cemetery District agrees.**

**Finding 3:** "As of June, 2010, public agencies in Santa Barbara County had a total liability for compensated absences of nearly \$61,000,000."

**Oak Hill Cemetery District agrees.**

Based on the information provided by the Santa Barbara County Civil Grand Jury as written in the report of June, 2011:

**Recommendation 1:** " That, no later than January 1, 2012, all local government agencies that belong to multiple-employer pension pools obtain, and for each year thereafter, make publicly available estimates of their individual unfunded liability from an actuary or the plan sponsor."

**The recommendation has been implemented. Oak Hill Cemetery will obtain, and for each year thereafter, make publicly available estimates of the individual unfunded actuarial liability from an actuary or the plan sponsor (SBCERS). SBCERS has agreed to provide this actuary. (Contact: Lila Deeds)**

**Recommendation 3:** "That, no later than January 1, 2012, in the best interest of ratepayers and taxpayers, each government agency that has compensated absences liabilities, adopt an implementation plan to reduce each agency's compensated absences liability."

**The recommendation will not be implemented because it is not warranted and is not reasonable for Oak Hill Cemetery District. Currently, as of June, 2011, the District's compensated absences liabilities rank among the lowest of the 48 agencies reporting. As per the District's written policies in the Employee Handbook (page 16) "All wages due will be paid upon termination of employment, including accrued but unused vacation hours. No payment is made for unused sick leave."**

**Oak Hill Cemetery District has only 3 full time employees, and the accrued vacation hours are part of the employment package as agreed to by the employer and employees. Again, unused sick hours are not paid at time of termination of employment, nor are any post employment healthcare benefits. Therefore Oak Hill Cemetery District has already eliminated these costs from the compensated absences liability.**

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Judith K. Adams  
Board President  
Oak Hill Cemetery District

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