



Draft
Municipal Service Review
Auburn Public Cemetery District

Placer County Local Agency Formation Commission

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E Mulberg & Associates

P.O. Box 582931
Elk Grove, CA, 95758
916.217.8393

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ACRONYMS AND ABBREVIATIONS

| | |
|------------|--|
| Auburn PCD | Auburn Public Cemetery District |
| CAPC | California Association of Public Cemeteries |
| CEQA | California Environmental Quality Act |
| CKH | Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 |
| LAFCO | Local Agency Formation Commission |
| MSR | Municipal Service Review |
| SOI | Sphere of Influence |

1: INTRODUCTION

1.1 – Role and Responsibility of LAFCO

The fundamental role of a Local Agency Formation Commission (LAFCO) is to implement the Cortese-Knox-Hertzberg (CKH) Local Government Reorganization Act of 2000 (Government Code Section 56000, et seq.), providing for the logical, efficient, and most appropriate formation of local municipalities, service areas, and special districts. The CKH requires all LAFCOs, including Placer County LAFCO, to conduct a Municipal Service Review (MSR) prior to updating the spheres of influence (SOI) of the various cities and special districts in the County (Government Code Section 56430). CKH requires an MSR and SOI update every 5 years.

1.2 – Purpose of the Municipal Service Review

This MSR will provide Placer LAFCO with an informational document and make determinations for each of the seven elements prescribed by CKH. This MSR evaluates the structure and operation of each district and discusses possible areas for improvement, coordination, or changes to the SOI as appropriate. The purpose of the MSR is to collect data in order to provide a comprehensive analysis of service provision by the Auburn Public Cemetery District (Auburn PCD). Exhibit 1 shows the boundaries of the Auburn PCD and its sphere of influence. This MSR will also identify and discuss services provided in that area. Key sources for this study included agency-specific information gathered through a questionnaire, strategic plans, general plans, websites, financial reports, agency audits, research, personal communication, and the Municipal Service Review Guidelines published by the Governor’s Office of Planning and Research.

The report contains one section for each of the following seven elements as prescribed by CKH:

1. **Growth and Population Projections for the Affected Area.** This section reviews projected growth within the existing service boundaries of the district and analyzes the district’s plans to accommodate future growth.
2. **The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.** A disadvantaged community is defined as one with a median household income of 80 percent or less of the statewide median income.
3. **Present and Planned Capacity of Public Facilities and Adequacy of Public Services Including Infrastructure Needs or Deficiencies.** This section discusses the services provided including the quality and the ability of the district to provide those services, and it will include a discussion of capital improvement projects currently underway and projects planned for the future where applicable.
4. **Financial Ability of Agencies to Provide Services.** This section reviews the district’s fiscal data and rate structure to determine viability and ability to meet service demands. It also addresses funding for capital improvement projects.
5. **Status of and Opportunities for Shared Facilities.** This section examines efficiencies in service delivery that could include sharing facilities with other agencies to reduce costs by avoiding duplication.

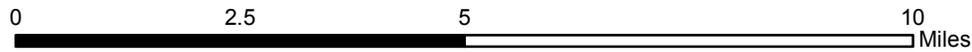
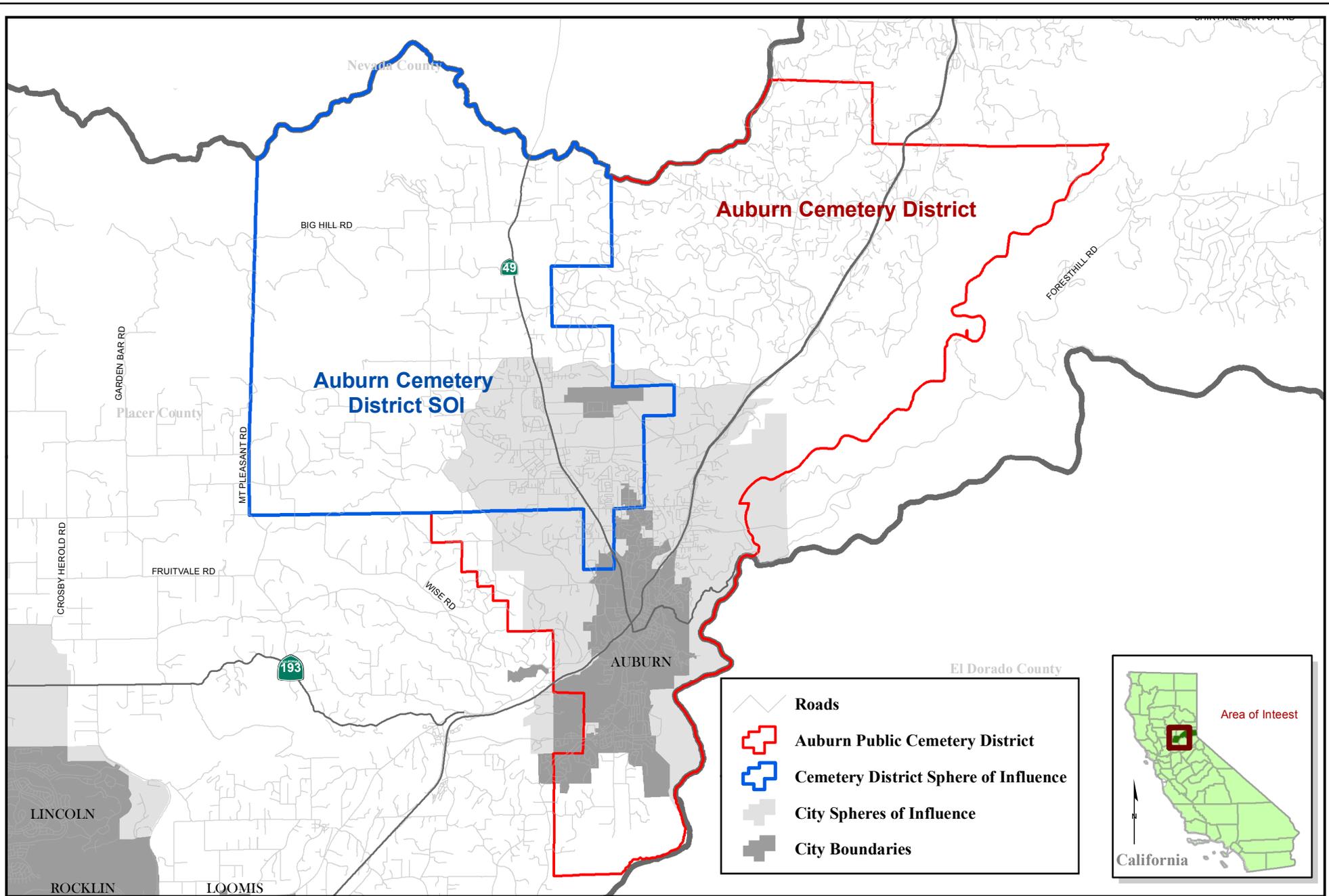


Exhibit 1
Auburn Public Cemetery District and Sphere of Influence

6. **Accountability for Community Service Needs, including Government Structure and Operational Efficiencies.** This section examines the district’s current government structure, and considers the overall managerial practices. It also examines how well the each district makes its processes transparent to the public and invites and encourages public participation.
7. **Matters Related to Effective or Efficient Service Delivery Required by Commission Policy.** This section includes a discussion of any Placer LAFCO policies that may affect the ability to provide efficient services.

1.3 – Uses of the Municipal Service Review

The MSR is used to shed light on the operations of a local agency, identify agencies unable to perform their mandated services, or identify ways to provide more effective, efficient services. Government Code Section 56375 allows LAFCO to take action on recommendations found in the MSR, such as initiating studies for changes of organization, updating the SOI, or originating a change of organization.

Studies in anticipation of a change of organization are useful to identify potential issues that may arise during the process. Issues can range from legal barriers to fiscal constraints to concerns of residents and landowners. A study would allow more focused analysis and the opportunity to resolve issues or options before beginning the process.

The MSR also provides the necessary information to help LAFCO make decisions on the proposed SOI update. In evaluating the proposed SOI, the MSR provides the information necessary to determine if the agency has the capability to serve a larger area. The MSR discusses the financial condition of each district, source of revenues, and projected expenses. It also includes a discussion of the projected infrastructure needs that would allow for expansion of those services. The MSR, however, does not address California Environmental Quality Act (CEQA) requirements for the SOI update. That requires a separate analysis.

Alternatively, the MSR can recommend changes of organization: consolidation, dissolution, merger, establishment of a subsidiary district, or the creation of a new agency that typically involves a consolidation of agencies. Those changes of organization may also require an environmental review, a property tax sharing agreement, and an election.

1.4 – California Environmental Quality Act

Public Resources Code Section 21000, et seq., also known as the California Environmental Quality Act (CEQA), requires public agencies to evaluate the potential environmental effects of their actions. This MSR is exempt from CEQA under Class 6 categorical exemption. CEQA Guidelines Section 15306 states that “Class 6 consists of basic data collection, research, experimental management, and resource evaluation activities that do not result in a serious or major disturbance to an environmental resource.”

1.5 – Cemetery Districts

The public cemetery district enabling legislation was first passed in 1909 and has been revised several times, most recently in 2004 with the passage of SB 341. Public cemeteries districts were created to assure that public cemeteries would be cared for in a dignified and respectful manner.

Public cemeteries are governed by a board of trustees, who as members of their own communities would be accountable to their neighbors and friends.

There are approximately 250 cemetery districts in California. Most are located in small communities and rural areas where the population is not sufficient for private cemeteries to operate profitably. Many public cemetery districts have taken over private, fraternal or church operated cemeteries which have fallen into neglect and disrepair. Public cemetery districts have been established specifically to protect historical gravesites and serve rural areas.

Burial privileges limit eligibility to current or former district residents or taxpayers, or former residents or taxpayers who purchased plots during the time they were taxpayers or residents. The families of those eligible for burial also have burial privileges. Family members are limited to a spouse, child or stepchild, parent brother, sister, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, first cousin, grand parents or great grandparents.

Services performed by cemetery districts include:

- Record Keeping—Plot sales are recorded and mapped with the assigned name of the plot owner. District business records of plot sales and burials include keeping burial permits for historical purposes.
- Mapping of Burial Plots—Most districts are responsible for historic cemeteries they did not create. Old mapping is inadequate. Plotting new gravesites in a historic cemetery requires careful survey, site plotting, and placement of metal markers.
- Grounds Maintenance and Landscaping Development—The districts maintain lawns, and walkways; prune trees and roses; replace dead or diseased trees with new disease-resistant species; create new landscape; and repair, replace, maintain and expand drainage and irrigation systems as needed. Districts also maintain roadways by grading, graveling and weed abatement.
- Equipment Maintenance—This includes mowers, weed eaters, mini-excavators, back hoes, pickups, and trailers.
- Burial Services—Districts are responsible for opening the grave; placement of the vault, tent, and chairs; closing the grave; tamping and replacing sod.
- Public Relations—Cemetery district personnel market their cemeteries mainly through their relationships with their community. Veteran's organizations, historical societies, Boy Scouts, a vast number of other community organizations as well as elected officials participate in cemetery district Memorial Day and Veteran's Day activities. Districts solicit community support through "Adopt a Grave" programs and make flags, roses, trees and benches available for public purchase. Genealogy research is one of the fastest growing hobbies in the United States. District personnel assist residents in locating the burial sites of third, fourth and up to the sixth generation of family members interred within a single cemetery.

There are two main revenue sources for cemetery districts. They receive part of their funding from local property taxes. Districts also charge fees for the services they perform. However, as public entities, they are prohibited from operating as a for profit agency.

The focus of this MSR is to provide Placer County LAFCO with all necessary and relevant information related to services provided by the Auburn PCD. Exhibit 1 shows the boundaries of the district and the sphere of influence. Auburn PCD has an application before LAFCO to its annex the territory in its sphere. Therefore the territory of the sphere will be included in this review.

2: EXECUTIVE SUMMARY

2.1 – Role and Responsibility of LAFCO

The fundamental role of a Local Agency Formation Commission (LAFCO) is to implement the Cortese-Knox-Hertzberg (CKH) Local Government Reorganization Act of 2000 (Government Code Section 56000, et seq.), providing for the logical, efficient, and most appropriate formation of local municipalities, service areas, and special districts. The CKH requires all LAFCOs, including Placer LAFCO, to conduct a Municipal Service Review (MSR) prior to updating the spheres of influence (SOI) of the various cities and special districts in the County (Government Code Section 56430). CKH requires an MSR and SOI update every 5 years.

The focus of this MSR is to provide Placer County LAFCO with all necessary and relevant information related to services provided by the Auburn PCD. Since the Auburn PCD has an application before LAFCO to its annex the territory in its sphere, this MSR will also review service capability in its sphere of influence.

This Municipal Service Review (MSR) will provide Placer LAFCO with an informational document and make determinations in each of the seven elements prescribed by CKH. This MSR evaluates the structure and operation of the each of the districts and discusses possible areas for improvement, coordination. The report contains one section for each of the following seven elements as prescribed by CKH:

1. Growth and Population Projections for the Affected Area.
2. The Location and Characteristics of Any Disadvantaged Unincorporated Communities Within or Contiguous to the Sphere of Influence.
3. Present and Planned Capacity of Public Facilities and Adequacy of Public Services Including Infrastructure Needs or Deficiencies.
4. Financial Ability of Agencies to Provide Services.
5. Status of and Opportunities for Shared Facilities.
6. Accountability for Community Service Needs, Including Government Structure and Operational Efficiencies.
7. Matters Related to Effective or Efficient Service Delivery Required by Commission Policy.

The MSR is used to shed light on the operations of a local agency, identify agencies unable to perform their mandated services, or identify ways to provide more effective, efficient services. Government Code Section 56375 allows LAFCO to take action on recommendations found in the MSR, such as initiating studies for changes of organization, updating the SOI, or initiating a change in organization.

2.2 – Auburn Public Cemetery District Profile

The Auburn Public Cemetery District was established in 1935 to improve the existing Old Auburn Cemetery and provide future generations with dignified burial grounds. The District covers an area shown in Exhibit 1 of approximately 52 square miles in an around the City of Auburn.

The District maintains two cemeteries, the Old Auburn and New Auburn cemeteries, with a total of 38 developed acres. The two cemeteries contain over 26,000 grave sites. The Old Auburn Cemetery was established in the late 1800s by the Odd Fellows, and was acquired by the District in 1935. The New Auburn Cemetery was acquired in 1960 and expanded in 1962 and 1996. This District averages 240 burials per year, thirty of which are in the Old Cemetery and 210 in the New.

2.3 – Growth and Population Projections for the Affected Area

The estimated population of the District is 15,000 and the SOI 17,900. Between 2007 and 2012 the estimated growth is 3% in the District and 2% in the SOI. In 2018 the estimated population of the District would be 15,450 and the SOI 18,300.

2.4 – Disadvantaged Unincorporated Communities

The community of North Auburn, a census designated place, lies within the sphere of influence of the Auburn PCD. Since the median household income is 72% of the median California household income the North Auburn community meets the criteria of a disadvantaged unincorporated community.

2.5 – Present and Planned Capacity of Public Facilities

The District maintains and operates two cemeteries with a total of approximately 26,000 grave sites. The Old Auburn Cemetery on Fulweiler has 12,000 sites with no additional undeveloped areas. The Old Cemetery is completely sold.

The New Auburn Cemetery on Collins Drive has 14,000 sites with 2,560 currently available. The new cemetery also has approximately 66 undeveloped acres for future expansion, which is three times its current size. The new cemetery has the capacity to serve the SOI area.

2.6 – Financial Ability of Agencies to Provide Services

District revenues are primarily property tax, sales, and opening and closing services. Over the most recent five years actual expenses averaged \$669,000, salaries and benefits accounted for \$468,469 or 70% of expenses. The District budget for FY13 is \$845,311.

Auburn PCD maintains a healthy fund balance which absorbs shortfalls. In recent years the District has instituted cost saving measures such as reducing staff and benefits to mitigate the loss of property tax revenues. In the FY13 budget revenues are augmented by transfers in from the endowment interest fund and from reserves. The annexation of the sphere of influence with a tax sharing agreement could mitigate some of the loss of property tax revenues.

Auburn PCD has adopted a capital improvement plan with both long term and short term projects. The District has a two tier fee schedule for in district and out of district eligible residents. The out of district fees apply to those who live outside the district but have family buried in the district's cemetery, own property in the district, or live in the sphere of influence. Out of district fees are essentially double in district fees.

2.7 – Status of and Opportunities for Shared Facilities

Auburn PCD works with neighboring cemetery districts and often acts as a resource. The District participates in Association of Public Cemeteries (CAPC) and the Public Cemetery Alliance. The District Manager has been recognized for excellence in managing a cemetery district and acts as a mentor manager to other agencies. The District has six full time employees.

Management efficiencies are often exhibited by careful planning. The District diligently completed a capital improvement plan and has several facility plans. In addition the District has adopted fiscal as well as operational policies.

2.8 – Government Structure and Accountability

The District is governed by a five member board of trustees appointed by the Placer County Board of Supervisors to four year staggered terms. The Board meets the first Thursday of the month at the District Offices at 1040 Collins Drive in Auburn. Board meetings are noticed according to the Brown Act. The District maintains a website that provides information about meetings and basic information about the District. The public is welcome to attend but participation is low.

The Board of Trustees has adopted several policies that govern the operations of the District including a purchasing policy, an ethics policy, and a public records policy. Although the County deposits the District's funds and issues checks for expenses at the direction of the District Manager, the District contracts for an annual audit with a private auditing firm.

2.9 – Matters Related to Effective or Efficient Service Delivery Required by Commission Policy

District boundaries are consistent with LAFCO policies that stress the community approach and follow parcel boundaries. The expansion of the sphere of influence is consistent with LAFCO policies that only territory that will benefit from services should be included in the sphere. Since there are few private cemeteries in the County, the extension of services to the sphere will provide cemetery services where there are none.

2.10 – Recommendations

As with most agencies the economic downturn has had a great effect on operations of the District. Revenues are primarily derived from property taxes so with the downturn property tax revenues dropped from \$436,444 to \$370,880 or 15% between FY 09 and FY10. The District responded by reducing its expenses.

One solution would be to annex its sphere of influence. Of the five cemetery districts in western Placer County Auburn PCD is the only district not to annex its sphere. Annexing the sphere territory provides an opportunity to negotiate a tax sharing agreement with the County which could lead to a larger portion of property taxes.

Should the County decline to offer an additional share of property tax, the District could restructure its fees. Already residents of the sphere are eligible to be buried in the District's cemeteries and are charged the out of district fees. Perhaps the District can review its fee structure and have a third tier for residents of the sphere. Either option would provide the District with additional revenues it needs to balance the budget.

3: AUBURN PUBLIC CEMETERY DISTRICT

The Auburn Public Cemetery District was established in 1935 to improve the existing Old Auburn Cemetery and provide future generations with dignified burial grounds. The District covers an area shown in Exhibit 1 of approximately 52 square miles in an around the City of Auburn.

The District maintains two cemeteries, the Old Auburn and New Auburn cemeteries. The two cemeteries contain over 26,000 grave sites. The Old Auburn Cemetery was established in the late 1800s by the Odd Fellows, and was acquired by the District in 1935. The New Auburn Cemetery was acquired in 1960 and expanded in 1962 and 1996. This District averages 240 burials per year, thirty of which are in the Old Cemetery and 210 in the New.

3.1 – Growth and Population Projections

The estimated population of the district is 15,000. Most, about 13,300, live in the City of Auburn. The proposed sphere of influence includes the community of North Auburn, extending to the northern boundary of Placer County. The SOI area covers four census tracts. Table 1 shows the population of each census tract and the total population of the SOI as 17,908.

Table 1: Estimated Population of the SOI

| CENSUS TRACT | 2010 POPULATION |
|---------------------------------|-----------------|
| 216.03 | 4,549 |
| 216.04 | 3,161 |
| 218.01 | 4,522 |
| 218.02 | 5,676 |
| Total | 17,908 |
| Source: U.S. Census Bureau 2013 | |

The anticipated growth rate was calculated based on the population in Auburn and the unincorporated county in 2007 and 2012. The period from 2007 to 2012 is a good representation for projected growth in that it includes a period of rapid growth in 2007 to 2008 and also includes the period of economic downturn from 2009 to 2012. Table 2 shows the City of Auburn has grown by 2.72% or about 3%. Since most of the District is within Auburn the estimated growth in population of the District in the next five years would be 3%. Under that assumption the population in the District would rise to 15,450 in 2018. Since the SOI is contained in the unincorporated portion of the County the estimated growth rate, based on the data in Table 2, is approximately 2% over a five year period. The estimated population of the SOI in 2018 would be 18,266.

Table 2: Population Estimates 2007 to 2012

| AREA | 2007 | 2012 | % CHANGE | ANNUAL GROWTH |
|-----------------------|---------|---------|----------|---------------|
| Auburn | 13,112 | 13,330 | 2.72% | 0.54% |
| Colfax | 1,838 | 1,963 | 7.56% | 1.51% |
| Lincoln | 37,410 | 42,819 | 16.47% | 3.29% |
| Loomis | 6,529 | 6,430 | -0.44% | -0.09% |
| Rocklin | 5,1951 | 56,974 | 12.21% | 2.44% |
| Roseville | 106,266 | 118,788 | 14.86% | 2.97% |
| Unincorporated County | 107,389 | 108,128 | 1.92% | 0.38% |
| Incorporated | 217,106 | 240,304 | 13.25% | 2.65% |
| County Total | 324,495 | 348,432 | 9.50% | 1.90% |

Source: Placer County 2009, CDOF 2013

DETERMINATION:

3.1.1 The estimated population of the District is 15,000 and the SOI 17,900. Between 2007 and 2012 the estimated growth is 3% in the District and 2% in the SOI. In 2018 the estimated population of the District would be 15,450 and the SOI 18,300.

3.2 – Disadvantaged Unincorporated Communities

By definition, a disadvantaged unincorporated community consists of at least 10 dwelling units in a fringe, island, or legacy community with a median household income of 80 percent or less of the statewide median household income. It further defines an unincorporated fringe community as any inhabited and unincorporated territory that is within the sphere of influence. An unincorporated island community is defined as any inhabited and unincorporated territory that is surrounded or substantially surrounded by one or more cities or by one or more cities and a county boundary or the Pacific Ocean. An unincorporated legacy community refers to a geographically isolated community that is inhabited and has existed for at least 50 years.

There are no island communities or legacy communities. However North Auburn, a census designated place, lies within the sphere of influence of the Auburn PCD. Table 3 provides median household income data for North Auburn. As seen in the table the median California household income was \$61,632, while in North Auburn the median household income in 2010 was \$44,107, approximately 70% of the median household income in California. Therefore North Auburn qualifies as a disadvantaged unincorporated community.

Table 3: North Auburn Median Household Income

| LOCATION | MEDIAN HOUSEHOLD INCOME | % OF CALIFORNIA MEDIAN HOUSEHOLD INCOME |
|--------------------------|-------------------------|---|
| North Auburn | \$44,107 | 72 |
| Auburn | \$62,600 | 102 |
| Placer County | \$74,645 | 121 |
| California | \$61,632 | 100 |
| Source: U.S. Census 2010 | | |

DETERMINATION:

3.2.1 The community of North Auburn, a census designated place, lies within the sphere of influence of the Auburn PCD. Since the median household income is 72% of the median California household income the North Auburn community meets the criteria of a disadvantaged unincorporated community.

3.3 – Present and Planned Capacity of Public Facilities

The Auburn PCD consists of two cemeteries. They are the Old Auburn Cemetery at 170 Fulweiler Avenue and the New Auburn Cemetery at 1040 Collins Ave. The Old Auburn Cemetery has around 12,000 occupied sites. In addition there are a couple older private cemeteries in the Auburn PCD boundaries. They include the Chinese Cemetery, on the frontage road parallel to Hwy 49 between Marguerite Mine Road & Edgewood Road, and the Lone Star Cemetery, on Orr Creek Lane, off Bell Road. In addition, there is an Indian cemetery on the Rancheria near Auburn.

In November 2012 a study of burial site availability was conducted for the New Auburn Cemetery. District rules prohibit double depth burials. However, up to two cremains may be inurned in a cremains grave. There are about 1300 casket sites available. There are an additional 100 grave sites which can be used for the district customers or saved for veteran use. There will be an additional 120+ sites after the addition of a small section of roadway to an area adjacent to the cemetery. There will be approximately 750 more after the complete development of a block of sites in the eastern portion of the cemetery. The current rate of sale is approximately 85 casket graves per year and an annual 240 burials per year. At that rate there are 15 years of graves sites ready with minimal work prior to sale.

Eligibility to be buried in the District cemeteries is limited to those that live in the district, those that own property in the district, those that have family buried in a district cemetery, or those residing in the sphere of influence. Those that live in the SOI are eligible if they pay the non-resident fee.

Table 4 lists the active cemeteries in the Auburn PCD and the acreage. The Old Auburn Cemetery is 15.3 acres. All sites at the old cemetery are sold. The New Auburn Cemetery has the potential to expand. There are two undeveloped parcels adjacent to the new cemetery, one 12.9 acres and the other 53.95 acres.

Table 4: Auburn Public Cemetery District Cemeteries

| CEMETERY NAME | LOCATION | DEVELOPED ACRES | UNDEVELOPED ACRES | DEVELOPED SITES ¹ | AVAILABLE SITES |
|---------------------|-----------------------|-----------------|-------------------|------------------------------|-----------------|
| Old Auburn Cemetery | Fulweiler Road Auburn | 15.3 | 0 | 12,000 | 0 |
| New Auburn Cemetery | Collins Drive Auburn | 22.1 | 66.85 | 14,000 | 2,560 |

¹ Estimates source: Potter 2013e
Source: Placer County Grand Jury 2009, Potter 2013b, Potter 2013c

The District prohibits planting trees, shrubs or flowers on district property. However, donations of trees and roses are accepted but trees are planted under the direction of the District Manager. Memorial benches are permitted in limited areas. The arrangements must be coordinated in advance and the location is at the sole discretion of the District Manager. Benches are installed by an approved monument company. The rules and regulations also specify requirements for markers.

DETERMINATION:

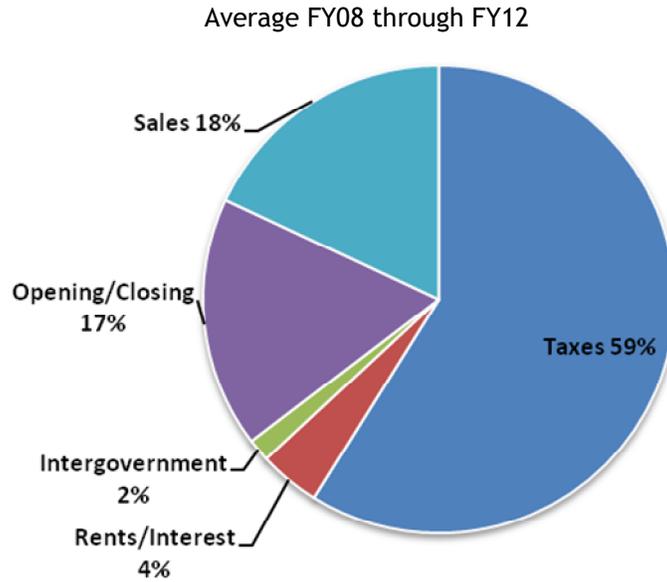
- 3.3.1 The District maintains and operates two cemeteries with a total of 26,000 grave sites. The Old Auburn Cemetery on Fulweiler has 12,000 sites with no additional undeveloped areas. The Old Cemetery is completely sold.
- 3.3.2 The New Auburn Cemetery on Collins Drive has 14,000 sites and 2,560 currently available. The new cemetery also has approximately 66 undeveloped acres for future expansion, which is three times its current size. The new cemetery has the capacity to serve the SOI area.

3.4 – Financial Ability to Provide Services

The 2012-13 budget for the District was \$845,311. The major source of revenues is property tax, followed by sales and services. Exhibit 2 shows the distribution of revenues based on actual revenues from the five fiscal years FY08-FY12. Three sources make up 96% of the revenues, property taxes, sales, and openings and closings. Expenses during the period were primarily salaries and benefits, 70%, and services and supplies, 26%.

Table 5 summarizes revenues and expenses for FY08-FY12 and the budgeted amounts for FY13. As noted, revenues which depend on property taxes declined in FY09 and FY10. To mitigate the loss of revenues the District implemented a number of cost containment measures. They suspended all non-critical capital improvements, reduced maintenance staff by 30%, and reduced or capped benefits. Many shortfalls were absorbed by the fund balance. For the current fiscal year, in

Exhibit 2: Auburn Public Cemetery District Revenue Sources



addition to the fund balance, \$12,000 was transferred in from endowment interest, and \$35,000 from reserves to accommodate anticipated expenses. Should the annexation of the sphere proceed and the District negotiate a property tax exchange the increased revenues could mitigate lost property tax revenues.

Table 5: Revenues and Expenses FY08-FY13

| | FY08 ACTUAL | FY09 ACTUAL | FY10 ACTUAL | FY11 ACTUAL | FY12 ACTUAL | FY13 BUDGETED |
|--|------------------------|------------------------|------------------------|------------------------|------------------------|--------------------------|
| Fund Balance | \$283,791 | \$258,358 | \$276,688 | \$123,790 | \$147,143 | \$120,710 |
| Total Revenues | \$760,962 | \$700,292 | \$640,186 | \$666,569 | \$691,084 | \$677,601 |
| Total Expenses | \$706,394 | \$601,962 | \$651,084 | \$679,114 | \$706,730 | \$845,311 |
| Source: Auburn Public Cemetery District 2012a, Potter 2013b. | | | | | | |

Capital Improvements

In 2012 the District adopted a short term and long term capital improvement plan. The short term plan is for the period 2012 to 2017, while the long term plan is for 2032. The Capital Improvement Plan is based on four considerations 1) the aging population will affect demand for district services; 2) the costs will have an effect on the District’s business plan; 3) developing land that is suitable for gravesites has become expensive and it likely to continue to increase; and 4) costs to the district to maintain the current level of services will also rise.

To cover anticipated costs the District’s policy is to avoid borrowing and pay cash for needed improvements. It is estimated the District will need to accumulate \$1.98 million for its capital improvement program. The Capital Improvement Plan is summarized in Table 6.

Table 6: Auburn Public Cemetery District Capital Improvement Plan

| PROJECT | SHORT TERM (2012-17) | LONG TERM (2012-2032) |
|---|-----------------------------|------------------------------|
| <i>Development</i> | | |
| Lot Markers Installation | 10,000 | 10,000 |
| Road - Block 3 | 15,000 | |
| Add section to Columbarium | 15,000 | 15,000 |
| Install fencing | 25,000 | 125,000 |
| Install 2 Columbariums | | 100,000 |
| Block 11 | | 75,000 |
| Block 12 and 13 | | 300,000 |
| One third of Northern Expansion Area | | 600,000 |
| <i>Equipment</i> | | |
| Back hoe | | 120,000 |
| Dump Truck | | 100,000 |
| Utility Vehicle | 25,000 | 100,000 |
| Burial Devices | 2,000 | 20,000 |
| Maintenance Truck | 25,000 | 125,000 |
| Riding Mower | 20,000 | 80,000 |
| Misc | 10,000 | 85,000 |
| <i>Office and Maintenance Building</i> | | |
| Remodel / Renovation | 25,000 | 125,000 |
| TOTALS | \$172,000 | \$1,980,000 |
| Source: Auburn Public Cemetery District 2012a | | |

Fees and Charges

The District has two sets of fees one for in district and one for out of district. In district fees apply to residents or property owners of the District. All district residents have interment rights, that is they are eligible to purchase a plot. Those rights may not be sold or transferred other than back to the District for the same price as the purchase price. Interment rights require proof of residency or property ownership. Interment is available only to family members defined as spouse, child or stepchild, parent brother, sister, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, first cousin, grand parents or great grandparents.

In addition to district residents there are other residents from outside the district or within the sphere of influence who are eligible to be buried in District facilities. Eligibility depends on

whether they have members of their family who are buried in the District’s cemeteries or they reside in the Sphere of Influence. They are allowed interment but must pay higher fees.

Public cemeteries are prohibited from performing embalming or cremation services, and cannot sell products such as caskets, monuments, markers, rose trees, etc. Mortuaries, monument companies and florists provide these services. The basic fees are shown in Table 7.

Table 7: Summary of Fees Auburn PCD

| ADULT BURIALS | IN DISTRICT CHARGES | OUT OF DISTRICT CHARGES |
|---|---------------------|-------------------------|
| <i>Casket</i> | | |
| Single grave (flat marker) | \$370-\$575 | \$740-\$1,150 |
| Single grave (upright marker) | \$750 | \$1,500 |
| Opening and Closing | \$650 | \$1,300 |
| Endowment | \$330-\$410 | \$330-\$410 |
| <i>Cremation</i> | | |
| Cremation (Urn vault required) | \$175-\$250 | \$350-\$500 |
| Opening Closing | \$280 | \$560 |
| Endowment | \$170 | \$170 |
| <i>Niche</i> | | |
| Cremation Niche | \$1,045-\$1,175 | \$2,090-\$2,350 |
| Opening Closing | \$180 | \$360 |
| Endowment | \$140 | \$140 |
| Source: Auburn Public Cemetery District 2013a | | |

DETERMINATION:

- 3.4.1 District revenues are primarily property tax, sales, and opening and closing services. Salaries and benefits make up 70% of expenses. The District budget for FY13 is \$845,311.
- 3.4.2 The District maintains a healthy fund balance which sometimes absorbs shortfalls. In recent years the District has instituted cost saving measures including reducing staff and benefits to mitigate the loss of property tax revenues. In the FY13 budget revenues are augmented by transfers in from the endowment interest fund and from reserves.
- 3.4.3 The annexation of the sphere of influence with a tax sharing agreement could mitigate some of the loss of property tax revenues.
- 3.4.4 The District has adopted a capital improvement plan with both long term and short term projects.

- 3.4.5 The District has a two tier fee schedule for in district and out of district eligible residents. The out of district fees apply to those who live outside the district but have family buried in the district's cemetery, own property in the district, or live in the sphere of influence. Out of district fees are essentially double in district fees.

3.5 – Status and Opportunities for Shared Facilities

The District acts as a resource for other districts. The District maintains membership in the California Association of Public Cemeteries (CAPC) and the Public Cemetery Alliance. Through these associations the District is able to share resources and keep abreast of issues affecting other cemetery districts.

Auburn PCD maintains a good relationship with the County. The 12 acres along the railroad track has been the location of homeless camps. The District has worked with the Placer County Sheriff to resolve the issue. Often inmates from the County Work Release Program will help maintain the cemeteries.

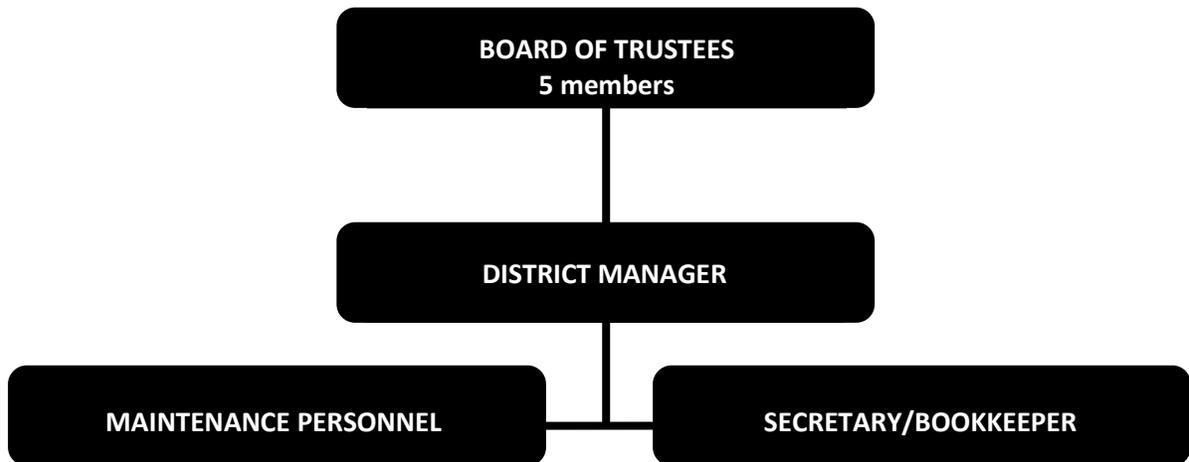
Management Efficiencies

Management efficiencies can be measured by whether the district has long term plans and policies. The district has diligently completed a capital improvement plan and has several facility plans. In addition the district has adopted fiscal as well as operational policies. Among the operational policies are the purchasing and contracts policy. Operational policies were designed to save time and avoid confusion in responding to the needs of the District. In addition they were designed to allow for consistency in decision-making actions between district personnel. The policy covers repairs and purchases of equipment and facilities, sole source contracts, service and public works contracts as well as ethics and conflict of interest.

The District manager was the first recipient of the Manager of the Year award from the CAPC and volunteers as a mentor manager. The District manager is also recognized by the California Special District Association as a certified special district administrator. She has also completed the Special District Governance Academy and is a member of the Special District Leadership Foundation Certification and Audit Advisory Committee.

The district staff includes a district manager, four maintenance personnel, and a secretary bookkeeper. Exhibit 3 shows the organizational chart.

Exhibit 3: Auburn Public Cemetery District Organizational chart



Source: Auburn Public Cemetery District 2013b

DETERMINATION:

- 3.5.1 The District works with neighboring cemetery districts and often acts as a resource. The District participates in Association of Public Cemeteries (CAPC) and the Public Cemetery Alliance.
- 3.5.2 The District has six full time employees. The General Manager has been recognized for excellence in managing a cemetery district and acts as a mentor manager to other agencies.
- 3.5.3 The District diligently completed a capital improvement plan and has several facility plans. In addition the District has adopted fiscal as well as operational policies.

3.6 – Government Structure and Accountability

The District is governed by a five member board of trustees, appointed by the Board of Supervisors. One trustee whose term expired December 31, 2013 was reappointed. The Board meets on the first Thursday of the month at 9 am at the District offices at 1040 Collins Drive in Auburn. Meetings are noticed according to the Brown Act. Members of the public are welcome, although participation is low.

The District communicates with the public through its website. By accessing the website residents can view the current agenda, get directions to the cemetery, get hours of operation, and determine who to contact with questions.

The website clearly displays the District’s mission statement and goals. The mission statement plainly identifies the district as a non-enterprise special district. As a public agency the District is not focused on making a profit but providing a service at cost. There are two main goals. One is to improve existing cemeteries and the second is to provide future generations with dignified burial grounds.

The Board has an adopted a set of policies that govern the operations of the District. The public records act policy governs the access of burial records. When asking for information about the District members of the public are provided the rules and regulations that describe operations of the cemetery, services the district provides, and acceptable practices. The Board has also adopted

purchasing and contracting policies. These policies provide guidance for repairs and purchases of equipment and facilities, guidelines for determining responsive bidders, and conflict of interest and ethics standards for district employees and Trustees.

The District's funds are managed by the County. However the District does contract with a private auditing firm for an annual audit.

DETERMINATION:

- 3.6.1 The District is governed by a five member board of trustees appointed by the Placer County Board of Supervisors to four year staggered terms.
- 3.6.2 The Board meets the first Thursday of the month at the District Offices at 1040 Collins Drive in Auburn. Board meetings are noticed according to the Brown Act. The public is welcome to attend but participation is low.
- 3.6.3 The District maintains a website that provides information about meetings and basic information about the District.
- 3.6.4 The Board of Trustees has adopted several policies that govern the operations of the District including a purchasing policy, an ethics policy, and a public records policy.
- 3.6.5 The District contracts for an annual audit with a private auditing firm.

3.7 – LAFCO Policies Affecting Service Delivery

Placer LAFCO has established policies to help it meet its Cortese-Knox-Hertzberg requirements. This section identifies local LAFCO policies that may affect delivery of services by the Auburn PCD. The District would like to expand the SOI to include the North Auburn area. Three specific policy areas would apply:

- 1. Encouraging orderly formation of local agencies and the efficient provision of services
- 2. Encouraging the preservation of agricultural land and open space
- 3. Encouraging logical patterns of growth and discouraging urban sprawl

To meet these goals the Commission encourages the formation of agencies that provide services to communities as a whole. The Commission's policies find that it facilitates the eventual consolidation of local agencies, it clarifies and simplifies service delivery, it assures the most complete ranges of services available to a developing area, and it helps define and empower a community. The Commission encourages boundaries to be coterminous with communities. The boundaries of the Auburn PCD follow this policy as the District's boundaries are, for the most part, consistent with the Auburn community.

LAFCO policies also require that boundaries that follow parcel boundaries are "clearer, more understandable, and more readily identifiable. They facilitate service provision, assist in the determination of permissible land uses, simplify the assessment and property tax process, and encourage consistent mapping of jurisdictions." The suggested sphere of influence follows parcel boundaries.

Since the District is applying for an expansion of the sphere of influence LAFCO's sphere of influence policy may apply. The policy states that only territory that will benefit from services

provided by the District will be included in the sphere. Since there are few private cemeteries in the County, extending the sphere allows for services to be available where otherwise there would be none. Residents in the sphere would benefit by reduced rates afforded to eligible residents living in the District.

DETERMINATION:

- 3.7.1 District boundaries are consistent with LAFCO policies that stress the community approach and follow parcel boundaries.
- 3.7.2 The expansion of the sphere of influence is consistent with LAFCO policies that only territory that will benefit from services should be included in the sphere. Since there are few private cemeteries in the County, the extension of services to the sphere will provide cemetery services where there are none. Residents in the sphere would benefit by reduced rates afforded to eligible residents living in the District.

3.8 – Summary of Determinations

- 3.1.1 The estimated population of the District is 15,000 and the SOI 17,900. Between 2007 and 2012 the estimated growth is 3% in the District and 2% in the SOI. In 2018 the estimated population of the District would be 15,450 and the SOI 18,300.
- 3.2.1 The community of North Auburn, a census designated place, lies within the sphere of influence of the Auburn PCD. Since the median household income is 72% of the median California household income the North Auburn community meets the criteria of a disadvantaged unincorporated community.
- 3.3.1 The District maintains and operates two cemeteries with a total of 26,000 grave sites. The Old Auburn Cemetery on Fulweiler has 12,000 sites with no additional undeveloped areas. The Old Cemetery is completely sold.
- 3.3.2 The New Auburn Cemetery on Collins Drive has 14,000 sites and 2,560 currently available. The new cemetery also has approximately 66 undeveloped acres for future expansion, which is three times its current size. The new cemetery has the capacity to serve the SOI area.
- 3.4.1 District revenues are primarily property tax, sales, and opening and closing services. Salaries and benefits make up 70% of expenses. The District budget for FY13 is \$845,311.
- 3.4.2 The District maintains a healthy fund balance which sometimes absorbs shortfalls. In recent years the District has instituted cost saving measures including reducing staff and benefits to mitigate the loss of property tax revenues. In the FY13 current budget revenues are augmented by transfers in from the endowment interest fund and from reserves.
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- 3.4.5 The District has a two tier fee schedule for in district and out of district eligible residents. The out of district fees apply to those who live outside the district but have

family buried in the district’s cemetery, own property in the district, or live in the sphere of influence. Out of district fees are essentially double in district fees.

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- 3.6.1 The District is governed by a five member board of trustees appointed by the Placer County Board of Supervisors to four year staggered terms.
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- 3.6.5 The District contracts for an annual audit with a private auditing firm.
- 3.7.1 District boundaries are consistent with LAFCO policies that stress the community approach and follow parcel boundaries.
- 3.7.2 The expansion of the sphere of influence is consistent with LAFCO policies that only territory that will benefit from services should be included in the sphere. Since there are few private cemeteries in the County, the extension of services to the sphere will provide cemetery services where there are none. Residents in the sphere would benefit by reduced rates afforded to eligible residents living in the District.

3.9 – Recommendations

The Auburn Public Cemetery District appears to be well maintained and operated. The General Manager has a good reputation with other cemetery districts and is often looked to as a mentor. Both cemeteries are well kept.

As with most agencies the economic downturn has had a great effect on operations of the District. Revenues are primarily derived from property taxes so with the downturn revenues dropped by over 15% in the FY 09 and FY10. The District responded by reducing its expenses of which 70% are due to salaries and benefits. They suspended all non-critical capital improvements, reduced maintenance staff by 30%, and reduced or capped benefits. Revenues are slowly increasing, however, additional sources must be investigated.

One possible source would be additional tax revenue through annexation of its sphere of influence. Of the five cemetery districts in western Placer County Auburn PCD is the only district not to annex

its sphere. Annexing the sphere territory provides an opportunity to negotiate a tax sharing agreement with the County which could lead to a larger portion of property taxes.

Should the County decline to offer an additional share of property tax, the District could restructure its fees. Already residents of the sphere are eligible to be buried in the District's cemeteries and are charged the out of district fees. Perhaps the District can review its fee structure and have a third tier for residents of the sphere. Either option would provide the District with additional revenues it needs to balance the budget.

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