

# ***Public Cemetery Districts of San Luis Obispo County***



## ***Sphere of Influence Update and Municipal Service Review***

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***Adopted March 15, 2018***

# **SAN LUIS OBISPO LOCAL AGENCY FORMATION COMMISSION**

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# TABLE OF CONTENTS

## CHAPTER 1: INTRODUCTION AND EXECUTIVE SUMMARY

Introduction .....	1
Service Review and Sphere of Influence Update Process .....	2
California Environmental Quality Act .....	4
Background.....	5
Recommendation .....	8

## CHAPTER 2: SPHERE OF INFLUENCE UPDATE

Existing Sphere of Influence .....	9
Summary and Recommendation .....	9

## CHAPTER 3: PUBLIC CEMETERY DISTRICTS

Introduction.....	22
Adelaida Cemetery District .....	23
Arroyo Grande Cemetery District.....	23
Atascadero Cemetery District .....	24
Cambria Cemetery District.....	25
Cayucos-Morro Cemetery District.....	26
Pleasant Valley Estrella Cemetery District .....	26
Paso Robles Cemetery District .....	27
San Miguel Cemetery District .....	27
Santa Margarita Cemetery District .....	28
Shandon Cemetery District.....	29
Templeton Cemetery District .....	30
Growth and Population.....	31
Disadvantaged Unincorporated Communities.....	31
Infrastructure Needs and Deficiencies .....	31
Financing Constraints and Opportunities .....	32
Opportunities for Shared Facilities .....	32
Government Structure Options .....	32
Cost Avoidance Opportunities .....	34

## Figures

Figure 1 County Public Cemetery District Boundaries, Sphere of Influence.....	7
Figure 2 Adelaida Cemetery District.....	11
Figure 3 Arroyo Grande Cemetery District.....	12
Figure 4 Atascadero Cemetery District.....	13
Figure 5 Cambria Cemetery District .....	14
Figure 6 Cayucos-Morro Cemetery District.....	15
Figure 7 Pleasant Valley Estrella Cemetery District.....	16
Figure 8 Paso Robles Cemetery District.....	17
Figure 9 San Miguel Cemetery District .....	18
Figure 10 Santa Margarita Cemetery District.....	19
Figure 11 Shandon Cemetery District.....	20
Figure 12 Templeton Cemetery District .....	21

**Tables**

Table 1 Summary of Public Cemetery Districts of San Luis Obispo County..... 3  
Table 2 Financial Summary of Arroyo Grande Cemetery District..... 24  
Table 3 Financial Summary of Atascadero Cemetery District..... 25  
Table 4 Financial Summary of Cambria Cemetery District ..... 25  
Table 5 Financial Summary of Cayucos-Morro Cemetery District..... 26  
Table 6 Financial Summary of Paso Robles Cemetery District..... 27  
Table 7 Financial Summary of San Miguel Cemetery District ..... 28  
Table 8 Financial Summary of Santa Margarita Cemetery District..... 29  
Table 9 Financial Summary of Shandon Cemetery District..... 30  
Table 10 Financial Summary of Templeton Cemetery District ..... 30

**REFERENCES**

**APPENDICES**

**Appendix A:** Public Cemetery Survey 2017 - Results

**Appendix B:** Notice of Exemption

# SAN LUIS OBISPO PUBLIC CEMETERY DISTRICTS

## SPHERE OF INFLUENCE UPDATE MUNICIPAL SERVICE REVIEW

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### CHAPTER 1 - INTRODUCTION

This is a Sphere of Influence (SOI) Update and Municipal Service Review for the Cemetery Districts. Public Cemetery Districts serve most parts of San Luis Obispo County and are governed under the Health and Safety Code of California (Section 9000 et seq.) The update of the Sphere of Influence for these Districts recognizes the existing circumstances and recommends no changes to the SOIs. The Cortese/Knox/Hertzberg Local Government Reorganization Act of 2000 (CKH Act) requires the Local Agency Formation Commission (LAFCO) to update the Spheres of Influence (SOI) for all applicable jurisdictions in the County every five years. Prior to, or in conjunction with an agency's SOI update, LAFCO is required to conduct a Municipal Service Review (MSR) for each agency. This Sphere of Influence update and Municipal Service Review is prepared for the following Public Cemetery Districts:

**“...public cemetery district’s serve county residents and operate under the State Health and Safety Code 9000 et seq...”.**

- Adelaida Cemetery District
- Arroyo Grande Cemetery District
- Atascadero Cemetery District
- Cambria Cemetery District
- Cayucos-Morro Cemetery District
- Pleasant Valley - Estrella Cemetery District
- Paso Robles Cemetery District
- San Miguel Cemetery District
- Santa Margarita Cemetery District
- Shandon Cemetery District
- Templeton Cemetery District

The Municipal Service Review provides a summary of the services provided by the district and presents determinations with regard to the condition and adequacy of these services. MSR's are used as an informational tool by LAFCO and local agencies in evaluating the current district operations and may suggest changes to improve services. Sphere of Influence updates may involve an affirmation of the existing SOI boundaries or recommend modifications to the SOI boundaries. LAFCO is not required to initiate changes to an SOI based on findings and recommendations of the service review, although it does have the power to do so. State law requires that the Commission adopt written MSR determinations for each of the following six criteria:

**Seven Service Review Factors**

1. Growth and population projections for the affected area
2. Location and characteristics of any disadvantaged unincorporated communities
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 governmental structure and operational efficiencies
7. Any other matter related to effective or efficient service delivery, as required by commission policy

As part of the SOI update, the Commission is required to consider the following five criteria and make appropriate determinations in relationship to each of the following:

1. The present and planned land uses in the area, including agricultural and open-space lands;
2. The present and probable need for public facilities and services in the area;
3. The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide;

4. The existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the agency.
5. Present and Probable need for Public Facilities and Services of Disadvantaged Unincorporated Communities.

This report was prepared by the San Luis Obispo Local Agency Formation Commission (“LAFCO”) in accordance with Section 56430 of the California Government Code. It responds to the requirement that LAFCO conduct a MSR to study the delivery of municipal services and update Spheres of Influence.

The report evaluates all eleven Cemetery Districts in San Luis Obispo County, including services provided and issues regarding boundaries and Sphere of Influences. It is recommended that the Spheres of Influence for the Cemetery Districts listed below remain unchanged.

**Table 1  
Public Cemetery Districts of San Luis Obispo County**

<b>Cemetery District</b>	<b>Service Area/ SOI Acreage</b>	<b>Population served</b>	<b>Interments Per Year</b>	<b>% Capacity</b>	<b>Annual Budget (\$)</b>	<b>Endowment Fund (\$)</b>
Adelaida	104,365/ 0	1,001	0-2	30%	0	unknown
Arroyo Grande	348,401/ 58,397	66,375	166	80%	\$377,709	\$1,478,818
Atascadero	47,840/ 70,545	29,860	90	85%	\$585,500	\$922,889
Cambria	152,677/ 0	7,731	40	--	\$195,008	\$86,927
Cayucos-Morro	112,016/ 0	17,850	56	85%	\$361,898	\$470,372
Pleasant Valley/ Esterella	51,998/ 0	4,929	0-2	80%	0	0
Paso Robles	142,884/ 61,367	35,880	101	50%	\$725,703	\$1,618,262
San Miguel	113,766/ 0	4,553	10	50%	\$97,142	\$59,001
Santa Margarita	141,909/ 43,090	4,381	15-20	95%	\$82,000	\$16,352
Shandon	249,019/ 9,044	2,589	1-5	85%	16,500	\$17,257
Templeton	63,886/ 0	10,671	25	75%	\$188,902	\$94,343

## **Environmental Determination**

The California Environmental Quality Act ("CEQA") requires that the Commission undertake and review an environmental analysis before granting approval of a project, as defined by CEQA. The MSR's are categorically exempt from the preparation of environmental documentation under a classification related to information gathering (Class 6 - Regulation Section 15306), which states: "Class 6 consists of basic data collection, research, experimental management, and resource evaluation activities which do not result in a serious or major disturbance to an environmental resource. These may be strictly for information gathering purposes, or as part of a study leading to an action which a public agency has not yet approved, adopted, or funded." Indeed, the MSR collects data for the purpose of evaluating services provided by the agencies. There are no land use changes or environmental impacts created or recommended by such studies.

Furthermore, the MSR qualifies for a general exemption from environmental review based upon CEQA Regulation Section 15061(b)(3), which states: "The activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA." Additionally, the SOI updates qualify for the same general exemption from environmental review based upon CEQA Regulation Section 15061(b)(3).

There is no possibility that the MSR or SOI updates would have a significant effect on the environment because there is no land use changes associated with the documents. If the Commission approves and adopts the MSR's and SOI updates and determines that the projects are exempt from CEQA, staff will prepare and file a notice of exemption with the Clerk of the County of San Luis Obispo, as required by CEQA Regulation Section 15062.



## **Background**

A governing body (i.e. Board of Directors, Board of Trustees) must be established by law to administer the operation of a cemetery district and is composed of three or five members as specified in the petition for the formation of the District. The Board of Supervisors appoints these members with the District Supervisor making the selections. The governing body may instead be composed of the Board of Supervisors if circumstances deem this appropriate and the Board agrees to act as the governing body. After a Cemetery District has been formed, the boundaries may be altered and outlying incorporated or unincorporated territory may be annexed to the District subject to LAFCO consideration.

Public Cemetery Districts are single purpose special districts appointed by the county Board of Supervisors and governed under California's Health and Safety Code. Under the California Health and Safety Code Sections 9000-9093, Cemetery Districts are legally authorized to provide standard cemetery functions, including land acquisition, cemetery maintenance, interment/disinterment services and grounds keeping. In private religious and fraternal cemeteries, the costs of these services are reflected entirely in the prices of grave spaces, burial fees, and charges against endowment funds. Public Cemetery Districts finance these services through property taxes, fees for services (the sale of burial plots, charges for openings and removals, and setting of markers).

The Health and Safety Code prescribes those who may be interred in district cemeteries. The deceased should have been a resident or taxpayer of the district, or former resident or taxpayer of the district who purchased lots prior to leaving the area or selling his/her land. Family members are eligible for interment, but are limited to spouses, parents, grandparents, children, and siblings. Districts often have local policies and fees for non-residents.

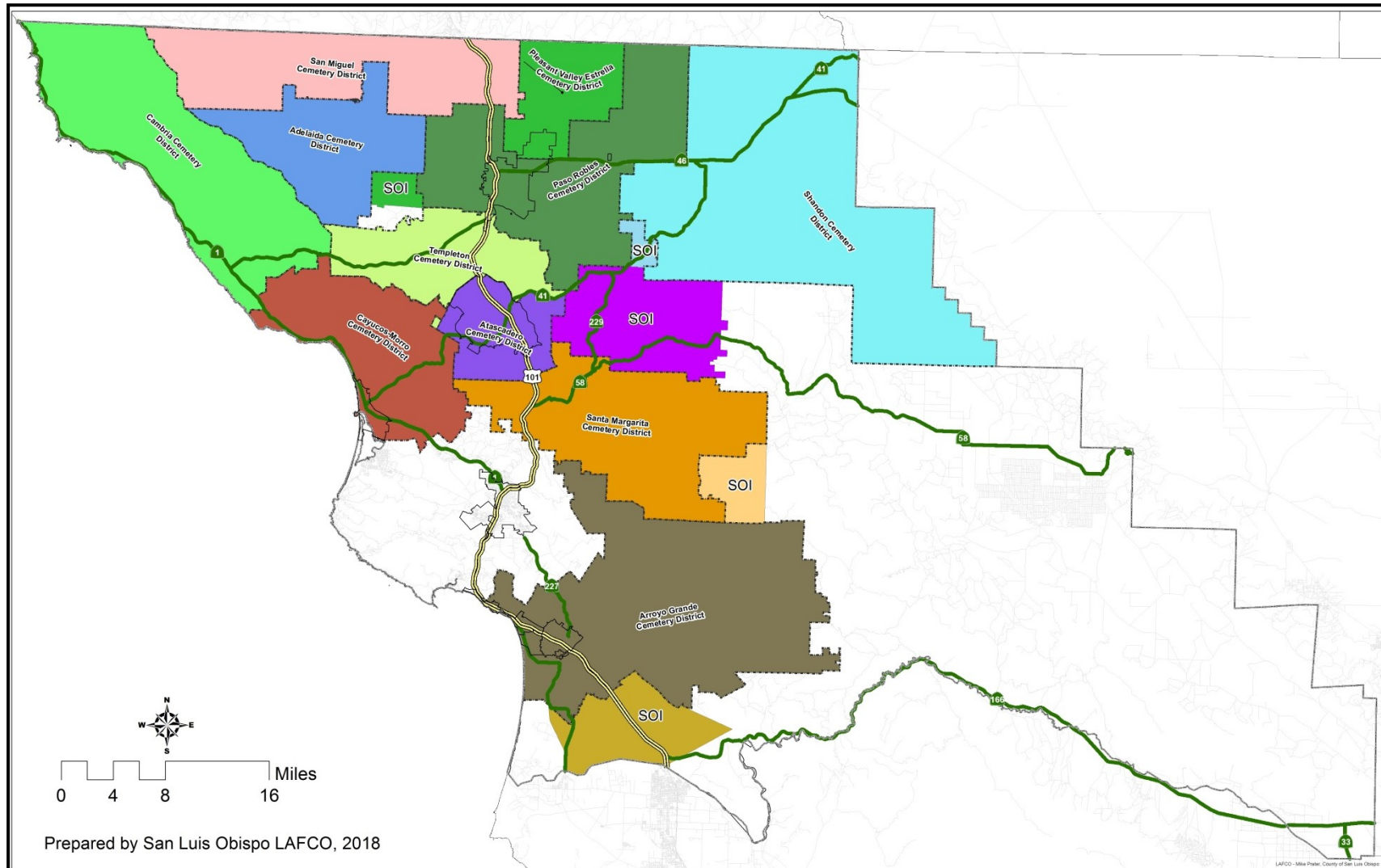
The 2008-2009 Grand Jury reviewed the governance and operation of the eleven public cemetery districts in San Luis Obispo County. The Grand Jury undertook an investigation of the Public Cemetery Districts because (1) they had not been looked at

for many years, (2) because they are low profile districts only rarely needed by residents and (3) boards are not subject to election, and (4) their continuous, long term, responsible operation is of great importance to the community. The Grand Jury did not find evidence of irresponsible operation of any of the cemeteries but did find that some of the smaller cemeteries operate with an informality which may jeopardize the long term continuity and integrity of the cemetery.

In addition, a descendent not otherwise eligible may be interred in a district cemetery if private facilities are not available within a radius of 15 miles of the descendents residence. Plots acquired by veterans' associations may be used for the burial of any of their members, whether or not such member is a district resident. Also, the County may have buried in a district any indigent, if the district's trustees determine there is more space available than necessary to meet foreseeable needs of the district.

There are eleven (11) cemetery districts in San Luis Obispo County. Residents in certain portions of the County, including San Luis Obispo (served by private cemetery), Los Osos, Creston, Pozo, Avila Beach, Nipomo, California Valley, and a small area near Adelaida do not reside within a Public Cemetery District. Most Districts allow residents from outside its service area to be interred within its cemetery. Some Districts have policies and fees for outside users of the cemetery.

**Figure 1**  
**San Luis Obispo County**  
**Public Cemetery District Boundaries**  
**Sphere of Influence**



## **Recommendations:**

1. Acting as Lead Agency pursuant to California Environmental Quality Act (CEQA) Guidelines, find that prior to adopting the written determinations, the Municipal Service Reviews and Sphere of Influence determinations under consideration are Categorically Exempt from the provisions of the California Environmental Quality Act (CEQA) under Section 15306, "Information Collection" and Section 15061(b)(3), "General Rule Exemption".
2. Approve the Municipal Service Review, Sphere of Influence Update, and Written Determinations prepared for each of the Public Cemetery Districts.
3. Pursuant to Government Code Sections 56425 and 56430 make the required determinations for the Municipal Service Reviews and District Spheres of Influence, adopt the Municipal Service Reviews prepared for each Public Cemetery District, and update the Sphere of Influence for said Districts by reaffirming their current boundaries.

# **SAN LUIS OBISPO PUBLIC CEMETERY DISTRICTS**

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## **CHAPTER 2- SPHERE OF INFLUENCE UPDATE**

### **Description of Current Sphere of Influence**

Public Cemetery District boundaries and Spheres of Influence are generally coterminous, except for a few Cemetery Districts such as Arroyo Grande, Atascadero, Paso Robles, and two small Spheres of Influences for Santa Margarita and Shandon Cemeteries.

### **No Proposed Sphere Changes**

Each district indicates its boundaries are adequate at this time and there are no current plans to annex or serve other areas. The maps that follow show the SOI and Service Area for each of the Cemetery District's located in the County.

### **Sphere of Influence Determinations**

No changes in the Spheres of Influence are proposed at this time and it is not necessary for the Commission to adopt or approve any determinations.

### **Summary and Recommendations**

In consideration of information gathered and evaluated during the Municipal Service Review it is recommended the Commission affirm the current Spheres of Influence and that they remain unchanged at this time.

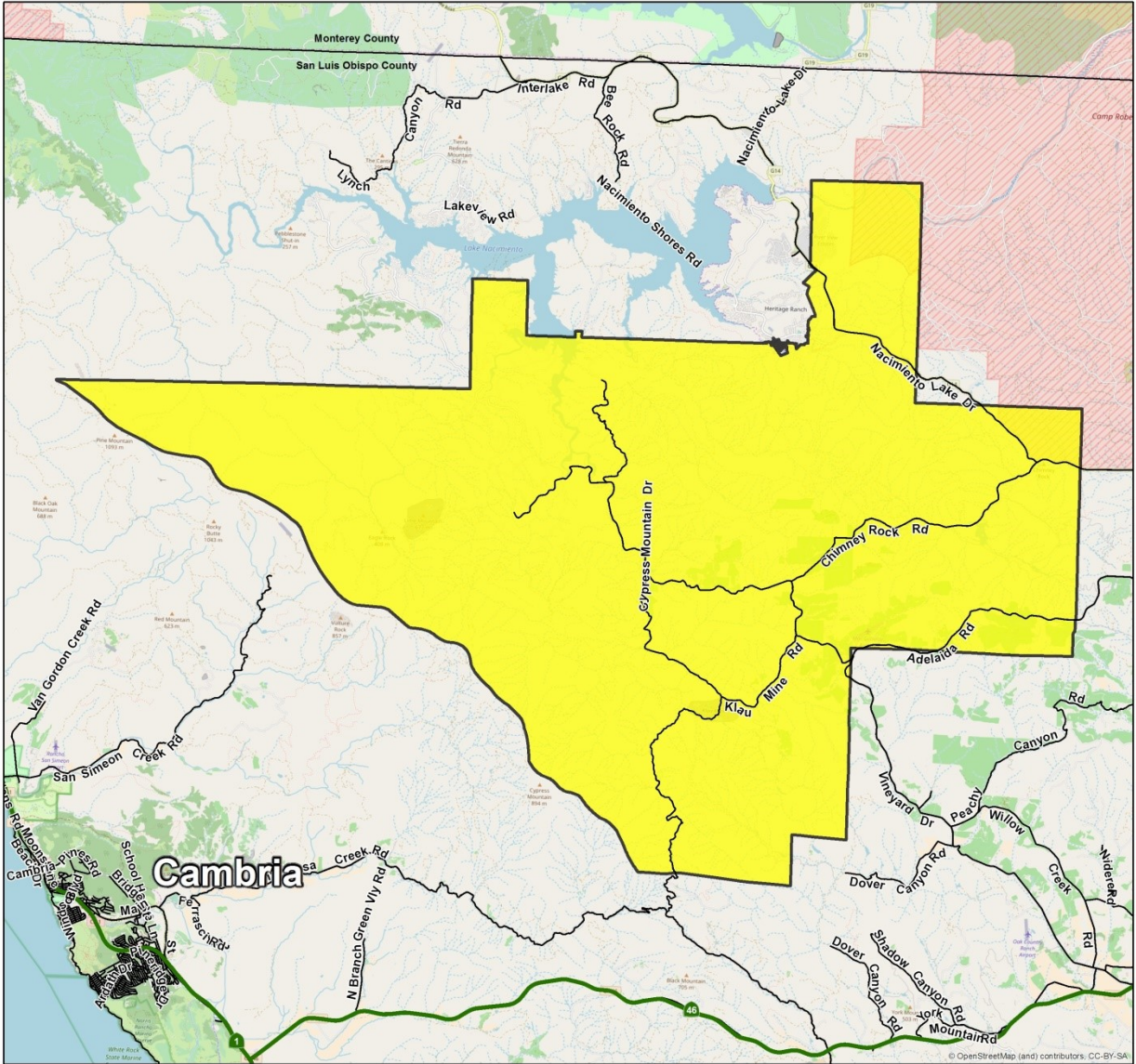
- 1) Adelaida, Pleasant Valley – Estrella, and Shandon should work with the County Auditor to meet the requirement for an annual audit to be submitted.
  
- 2) The Paso Robles Cemetery District and LAFCO should explore the feasibility of consolidating the Pleasant Valley Estrella District. The Pleasant Valley Estrella District has limited resources in terms of services and it would likely be more efficient to have the Paso Robles Cemetery District service this area. The consolidation may not be economically feasible as it could increase costs for

Paso Robles Cemetery District without an increase in revenues. The issue would require further study.



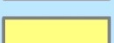
- 3) Based on this Sphere of Influence and Municipal Service Review, LAFCO may consider initiating the dissolution of the Pleasant Valley – Estrella Cemetery District and the annexation of this area into the Paso Robles Cemetery District.

Figure 2

**Adelaida Cemetery District  
Service Area & Sphere of Influence  
Recommended: January 2018**



**Legend**

-  Major Roads
-  Service Area
-  Sphere of Influence  
(Same as Service Area)



Prepared By SLOLAFCO  
Name: Adelaida Cemetery SOI Bndy  
Date: 11/28/2017

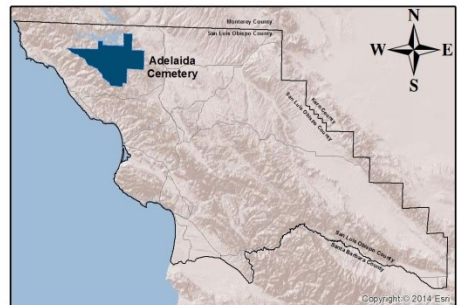
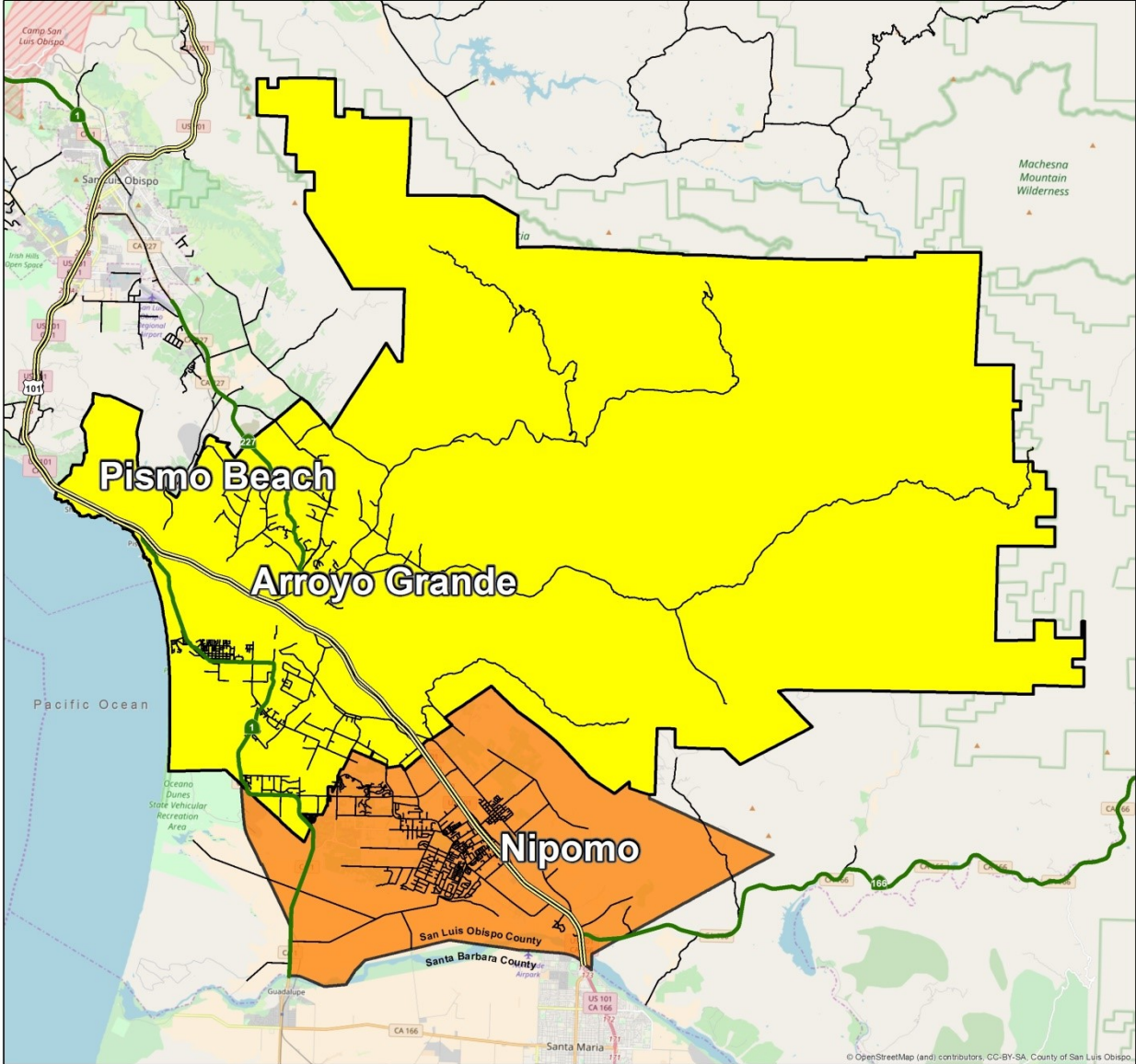





Figure 3

**Arroyo Grande Cemetery District  
Service Area & Sphere of Influence  
Recommended: January 2018**



**Legend**

-  Major Roads
-  Service Area
-  Sphere of Influence



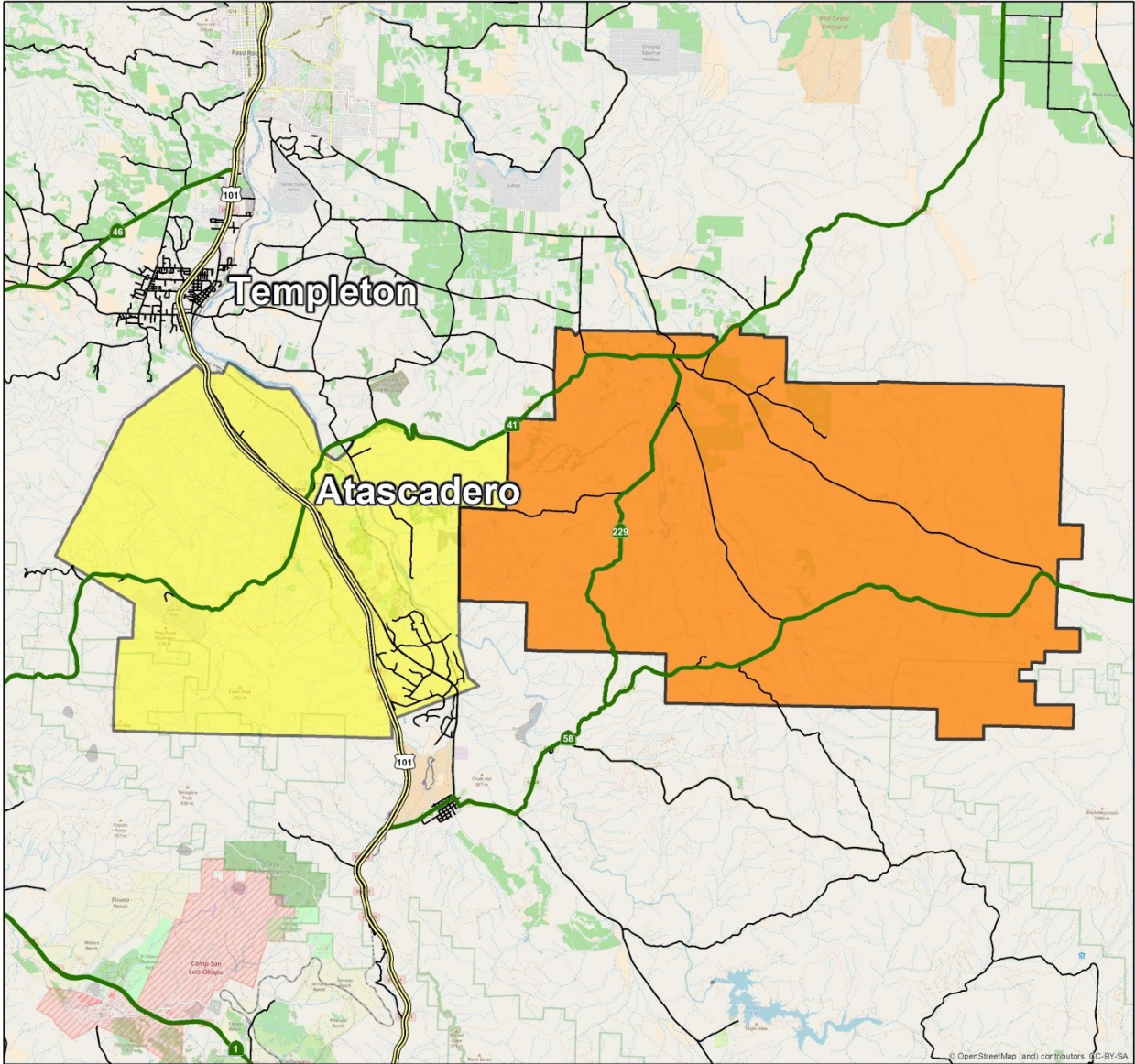
Prepared By SLOLAFCO  
Name: Arroyo Grande Cemetery\_SOI Bndy  
Date: 11/28/2017








Figure 4

**Atascadero Cemetery District  
Service Area & Sphere of Influence  
Recommended: January 2018**

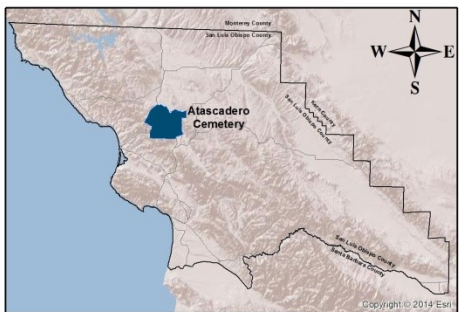


**Legend**

-  Major Roads
-  Service Area
-  Sphere of Influence

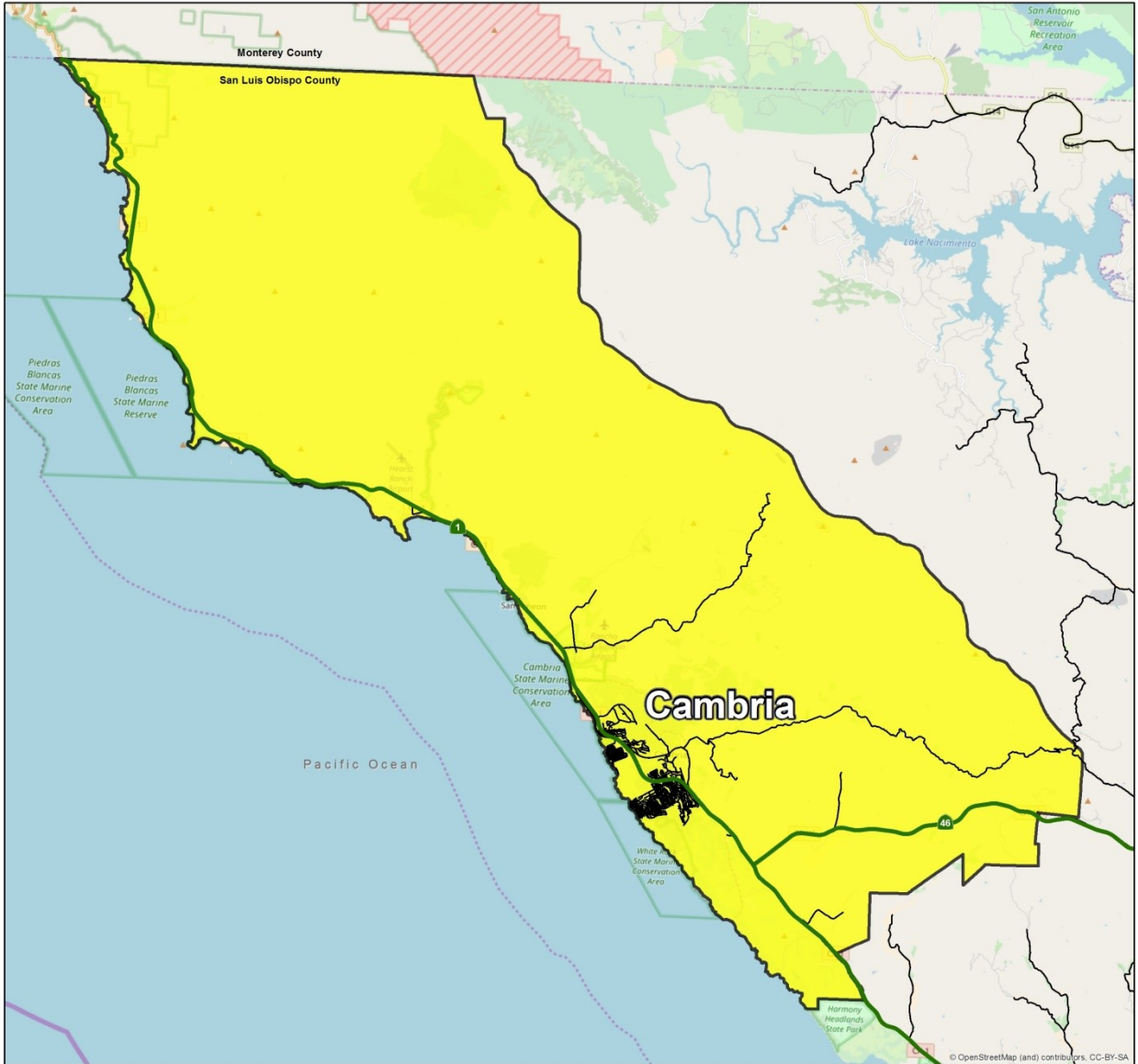


Prepared By SLOLAFCO  
Name: Atascadero Cemetery\_SOI Bndy  
Date: 11/28/2017






**Figure 5**

**Cambria Cemetery District  
Service Area & Sphere of Influence  
Recommended: January 2018**



**Legend**

-  Major Roads
-  Service Area
-  Sphere of Influence  
(Same as Service Area)



Prepared By SLOLAFCO  
Name: Cambria Cemetery\_SOI Bndy  
Date: 11/28/2017

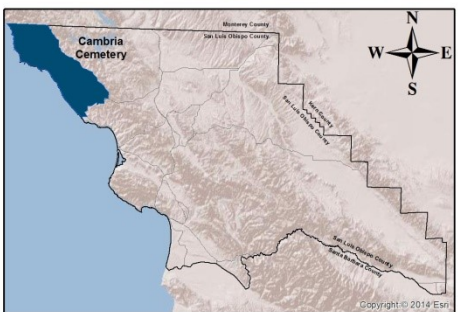
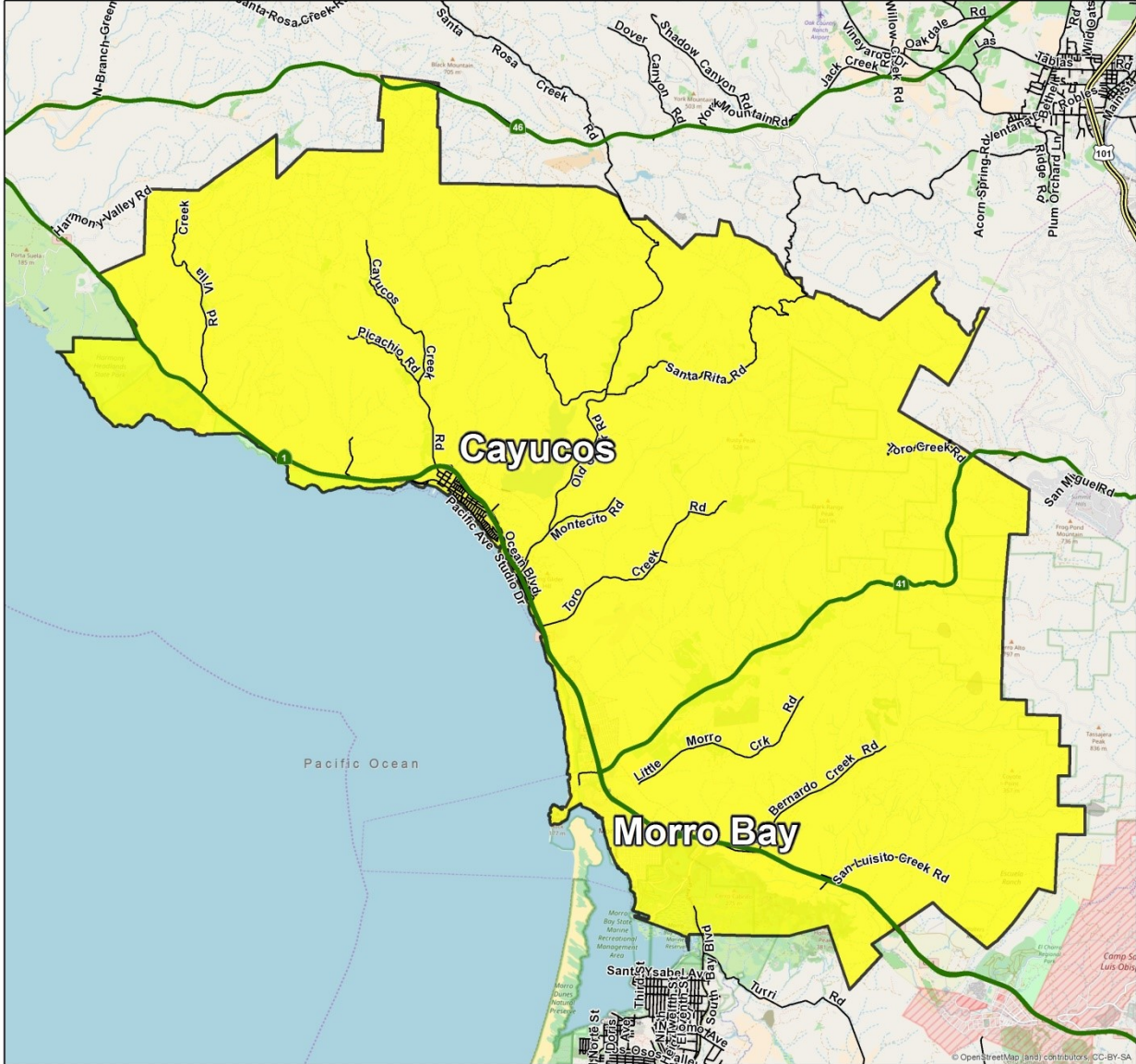


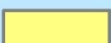


Figure 6

**Cayucos-Morro Cemetery District  
Service Area & Sphere of Influence  
Recommended: January 2018**



**Legend**

-  Major Roads
-  Service Area
-  Sphere of Influence  
(Same as Service Area)



Prepared By SLOLAFCO  
Name: Cayucos Cemetery\_SOI Bndy  
Date: 11/28/2017

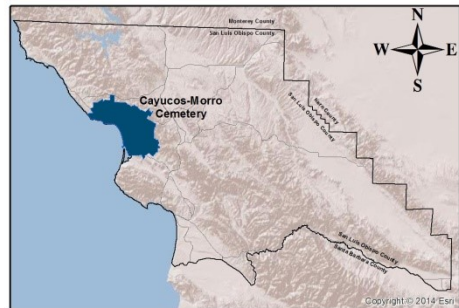
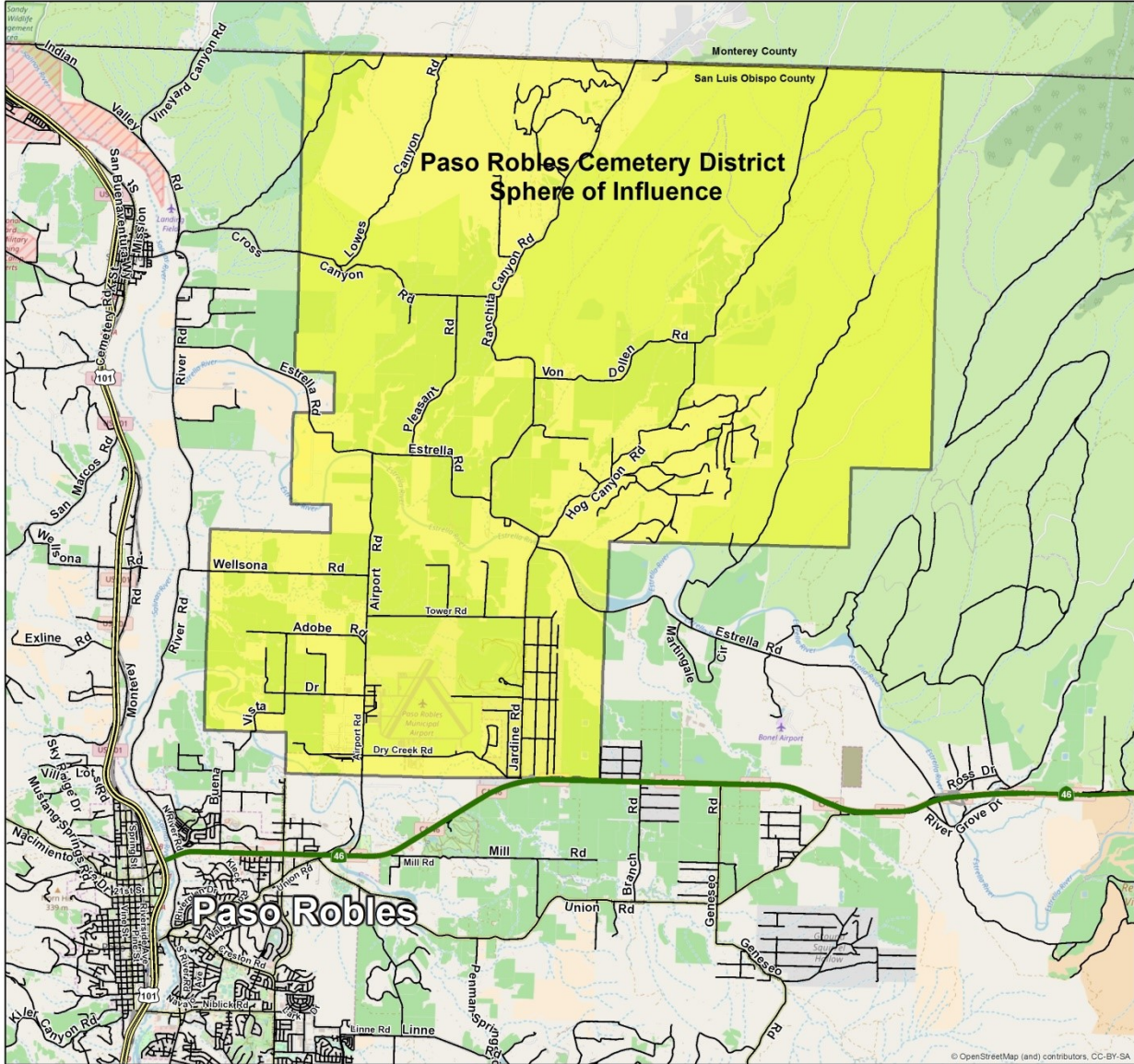

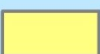
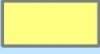


Figure 7

**Pleasant Valley Estrella Cemetery District  
Service Area & Sphere of Influence  
Recommended: January 2018**



**Legend**

-  Major Roads
-  Service Area
-  Sphere of Influence  
(Same as Service Area)



Prepared By SLOLAFCO  
Name: Estrella Cemetery\_SOI Bndy  
Date: 11/28/2017

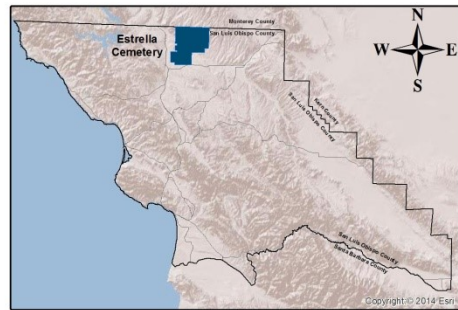
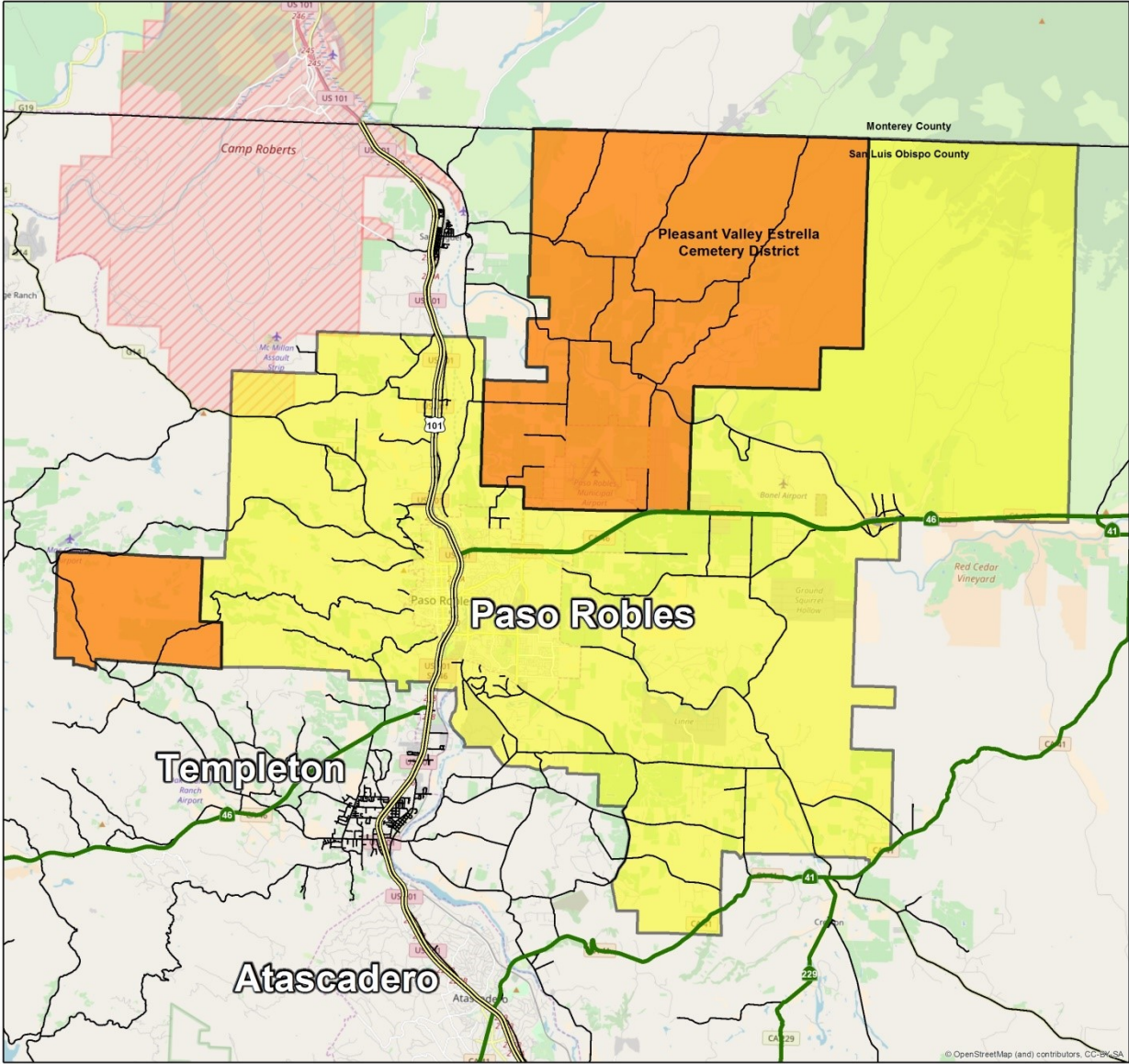

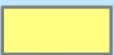



Figure 8

**Paso Robles Cemetery District  
Service Area & Sphere of Influence  
Recommended: January 2018**



**Legend**

-  Major Roads
-  Service Area
-  Sphere of Influence



Prepared By SLOLAFCO  
Name: Paso Robles Cemetery\_SOI Bndy  
Date: 11/28/2017

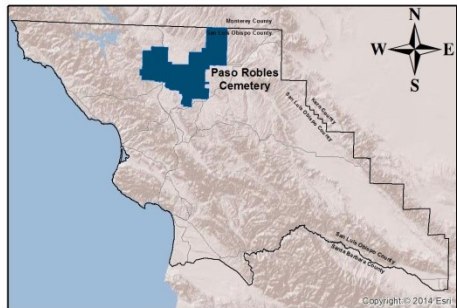
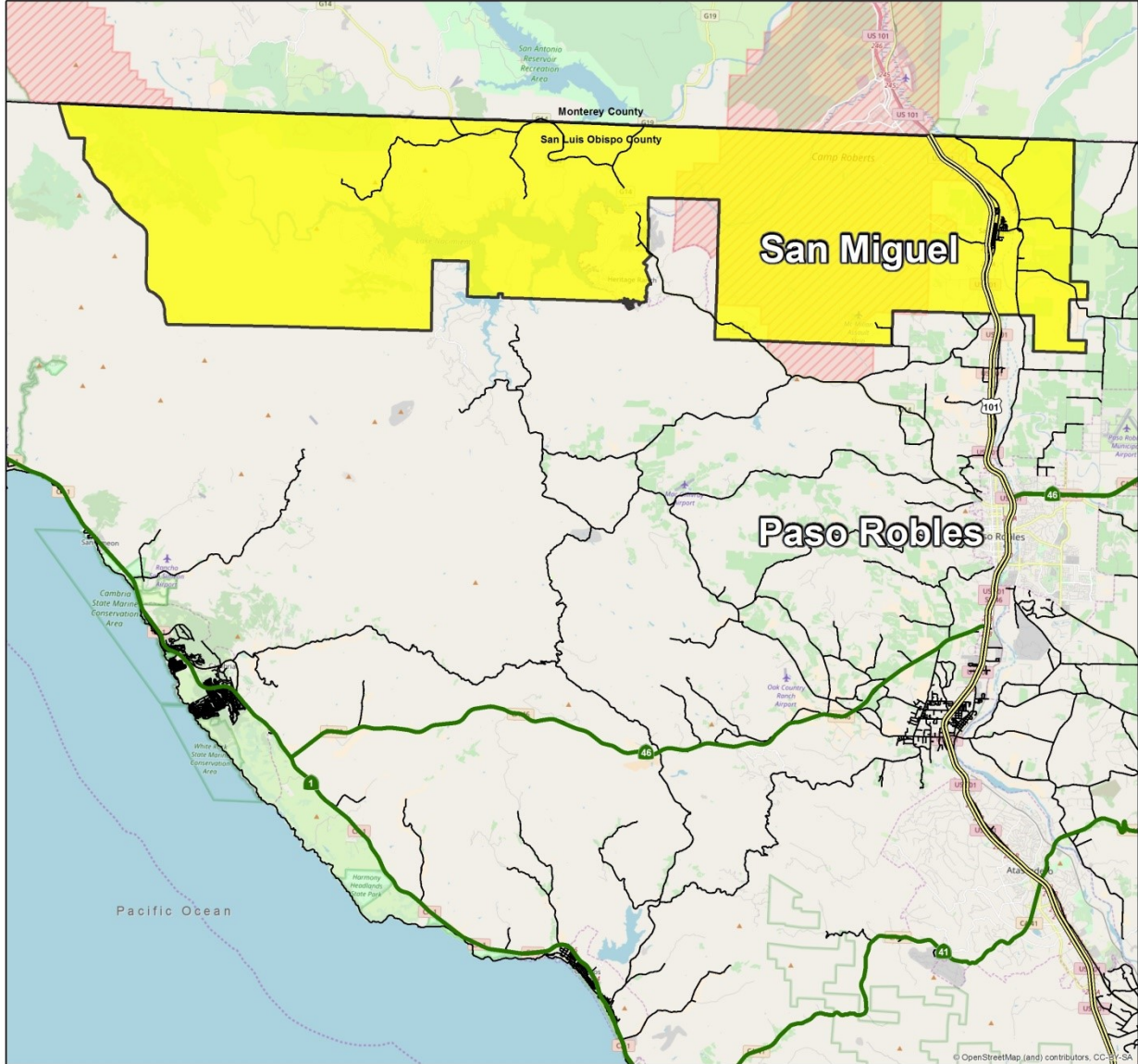





Figure 9

**San Miguel Cemetery District  
Service Area & Sphere of Influence  
Recommended: January 2018**



**Legend**

-  Major Roads
-  Service Area
-  Sphere of Influence  
(Same as Service Area)



Prepared By SLOLAFCO  
Name: San Miguel Cemetery\_SOI Bndy  
Date: 11/28/2017

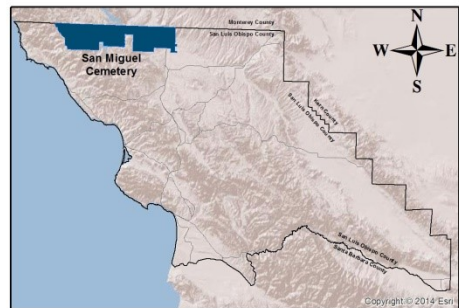
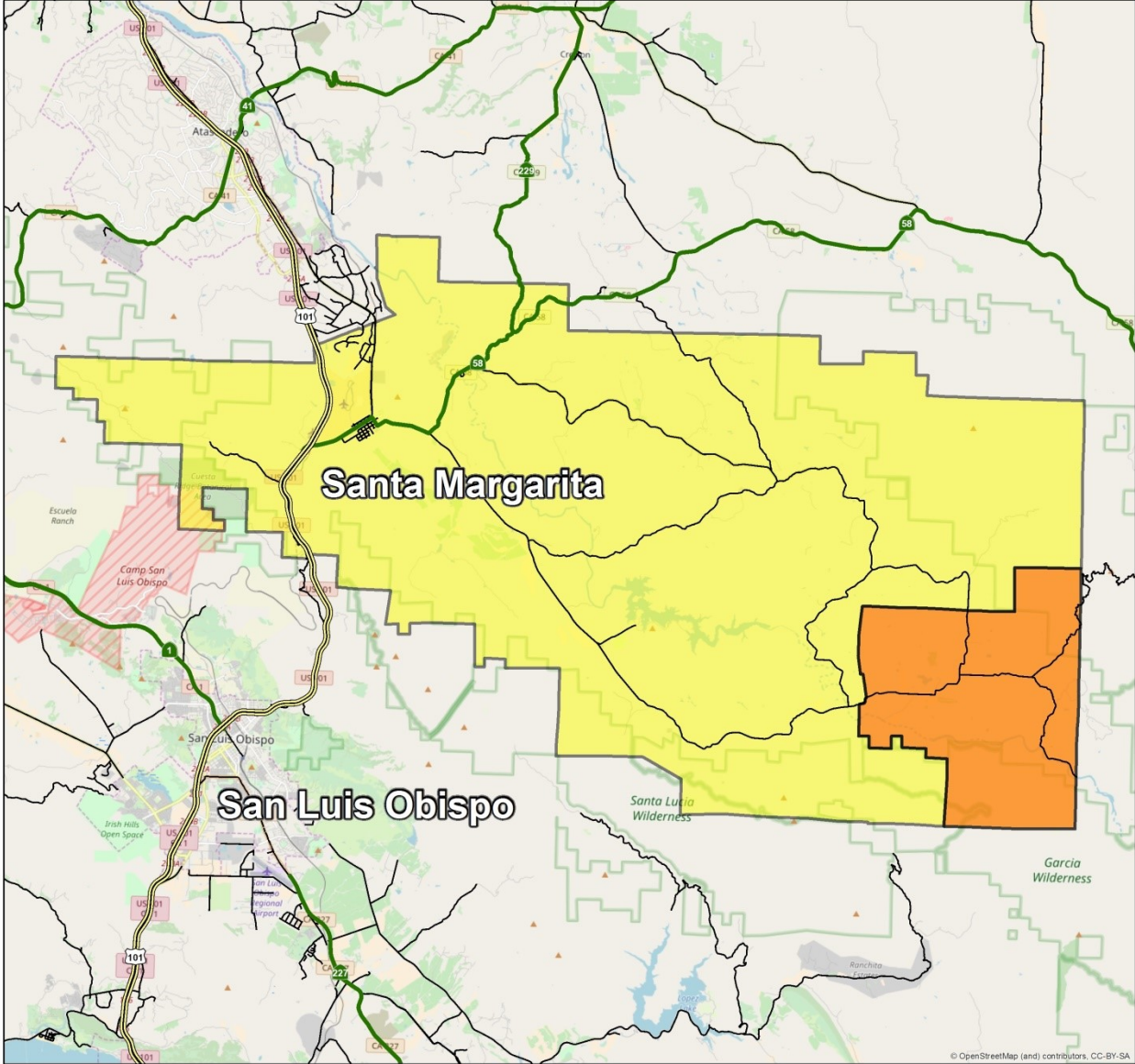


Figure 10

**Santa Margarita Cemetery District  
Service Area & Sphere of Influence  
Recommended: January 2018**



**Legend**

- Major Roads
- Service Area
- Sphere of Influence



Prepared By SLOLAFCO  
Name: Santa Margarita Cemetery\_SOI Bndy  
Date: 11/28/2017

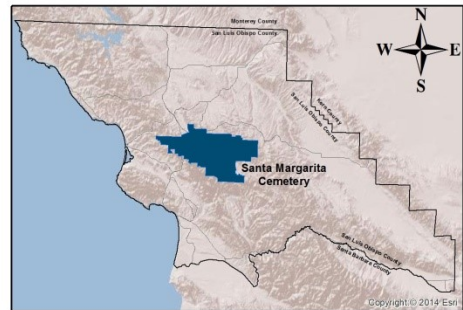
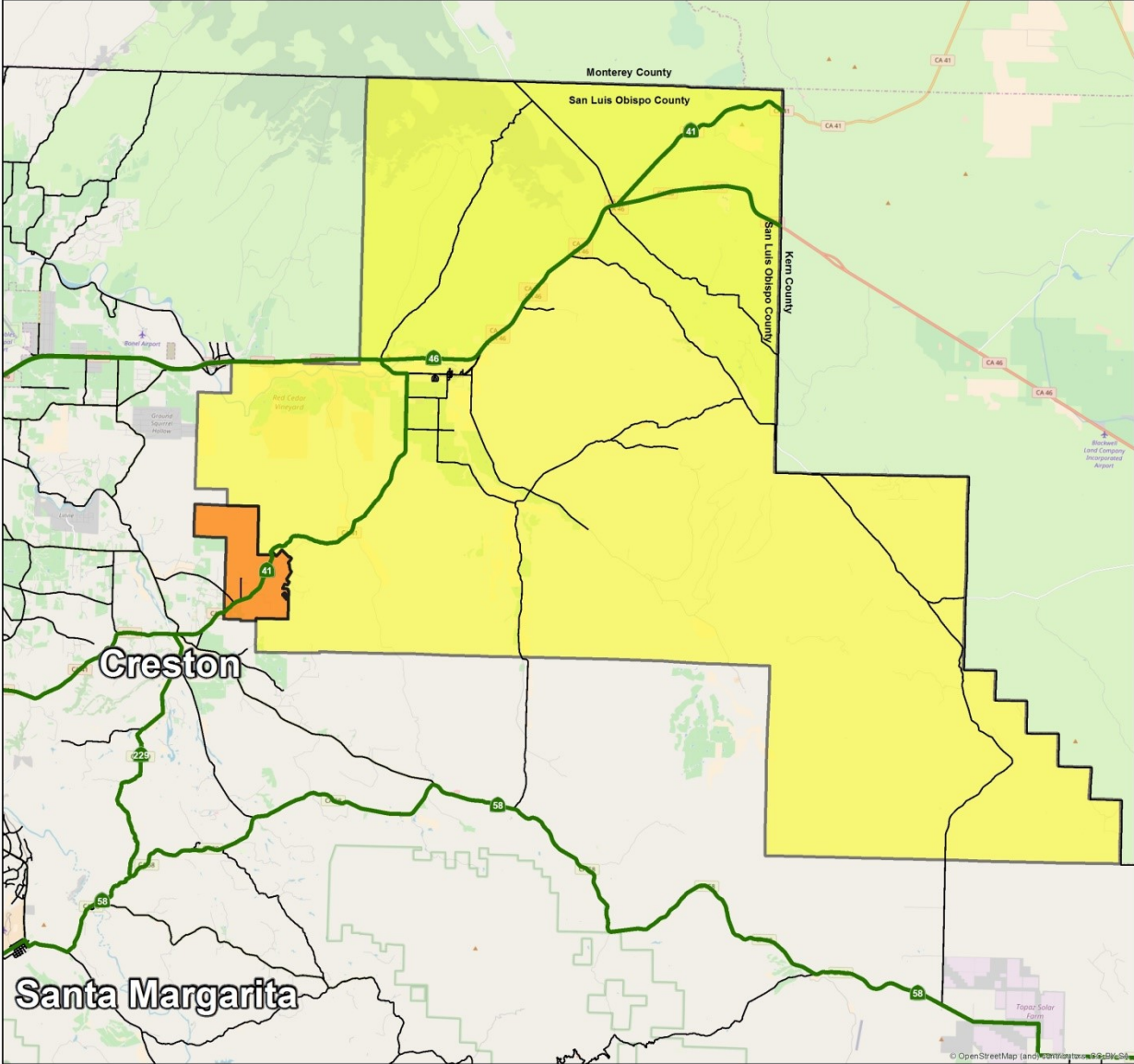


Figure 11

# Shandon Cemetery District Service Area & Sphere of Influence Recommended: January 2018



### Legend

- Major Roads
- Service Area
- Sphere of Influence



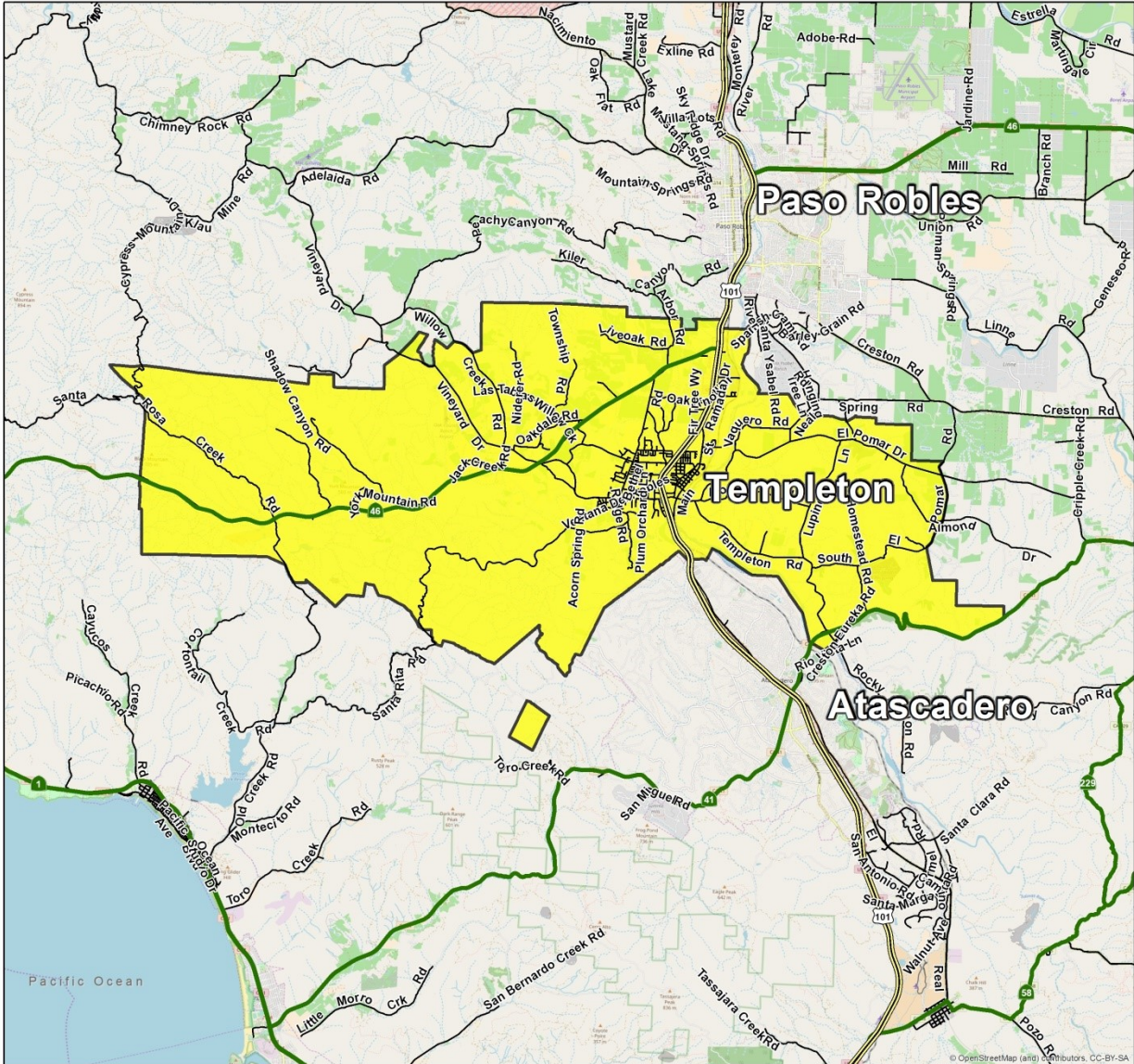
Prepared By SLOLAFCO  
Name: Shandon Cemetery\_SOI Bndy  
Date: 11/28/2017




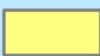



Figure 12

**Templeton Cemetery District  
Service Area & Sphere of Influence  
Recommended: January 2018**

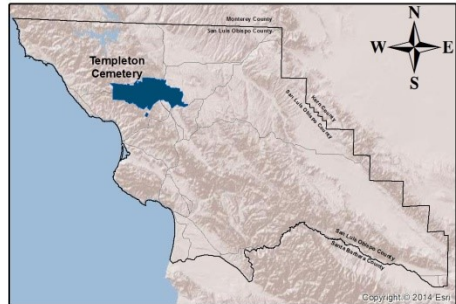


**Legend**

-  Major Roads
-  Service Area
-  Sphere of Influence  
(Same as Service Area)



Prepared By SLOLAFCO  
Name: Templeton Cemetery\_SOI Bndy  
Date: 11/28/2017



## **CHAPTER 3 – MUNICIPAL SERVICE REVIEW**

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### **Organization of Cemetery Districts**

Much of San Luis Obispo County is included in one of the eleven cemetery districts, as shown on the maps found in Chapter 2. They are among the oldest public agencies in the County. Each District operates pursuant to the Public Cemetery District Law, Health and Safety Code Section 9000 et seq.

Each district is governed by a Board of Trustees appointed by the Board of Supervisors. A general manager, in some districts called the office manager or superintendent, is responsible for administrative functions and day-to-day operations.

#### Five Member Boards

- Paso Robles Cemetery District - Formed in 1937
- San Miguel Cemetery District – Formed in 1939
- Shandon Cemetery District – Formed in 1921 (amended in 2014)

#### Three Member Boards

- Adelaida Cemetery District – Formed in 1940
- Arroyo Grande Cemetery District - Formed in 1918
- Atascadero Cemetery District – Formed in 1940
- Cambria Cemetery District – Formed in 1940
- Cayucos-Morro Cemetery District – Formed in 1938
- Pleasant Valley Estrella Cemetery District – Formed in 1940
- Santa Margarita Cemetery District – Formed in 1915
- Templeton Cemetery District – Formed in 1938

### **District Staffing**

District staffing patterns indicate the level of activity in each agency and the available funding. While comparisons may be interesting, they reflect the respective budget in each district and the number of interments per year.

### **District Boundaries**

While much of the County's population is within a public cemetery district, some areas are not. Areas not within a cemetery district including San Luis Obispo (served by

private cemetery), Los Osos, Creston, Pozo, Avila Beach, Nipomo, California Valley, and a small area near Adelaida do not reside within a Public Cemetery District.

## **Description of Each District**

**The Adelaida Cemetery District** includes 104,365 acres and has been serving the area since 1891 and probably as far back as 1878, making the cemetery over 100 years old. The Adelaida Cemetery District was formed in 1940 to provide burial service and grounds maintenance at its cemetery site. The District's Service Area is in north San Luis Obispo County that encompasses an area of 104,365 acres and serves approximately 1,001 people. The area ranges from Lake Nacimiento to the north to near Highway 46 to the south, with Camp Roberts on the east and the Lucia Mountain Range on the west. The seven-acre cemetery is located at 9000 Adelaida Road and maintained by volunteers. The District meets on an as needed basis generally every 4<sup>th</sup> Wednesday of the month. The cemetery is responsible for 0-2 interments per year. The cemetery is at an estimated 30% capacity with an endowment fund of less than \$10,000. Adelaida Cemetery District does not receive property tax to assist with operations. The District has not submitted annual audits to the County Auditor.

**The Arroyo Grande Cemetery District** boundaries are the largest in the County including 348,401 acres with a Sphere of Influence covering 58,397 acres. The Arroyo Grande Public Cemetery District was formed in 1918 and serves the southern portion of the County, including the communities of Arroyo Grande, Grover Beach, Pismo Beach, Oceano and outlying areas. The cemetery is located at 895 El Camino Real near the southwest corner of the Halcyon Road and Highway 101 intersection. The District meets every 2<sup>nd</sup> Wednesday of the month at 2:30 pm. The cemetery is approximately three acres with an additional twenty acre site for future use. The District's boundaries contain an estimated population of 66,375 people. Arroyo Grande Cemetery District has three employees and is responsible for approximately 166 interments per year. The cemetery has reached 80% of its capacity with an estimated 22-years of available area. The endowment fund has grown to \$1,478,818 with 29% of the District's revenues coming from property taxes.

**Table 2**  
**Arroyo Grande Cemetery District**  
**Financial Summary – Annual Audits – Three Years**

	2016	2015	2014
<b>Revenues</b>			
Property Tax	119,091	113,452	109,621
Fees- Sales	298,130	257,736	255,923
Interest	39,454	34,457	39,366
Other	33,414	2,996	2,977
Totals	490,089	423,993	407,887
<b>Expenses</b>			
Total Expenses	377,709	402,286	428,267
<b>Fund Balance</b>			
Fund Balance	112,380	21,707	(-20,380)
Total Fund Balance	2,475,094	2,362,714	2,341,007
<b>Endowment</b>			
	1,440,168	1,399,708	1,362,878

**The Atascadero Cemetery District** was formed in 1940 by petition of the area residents for the purpose of assuming operation of the Pine Mountain Cemetery. The District provides perpetual care maintenance of the 60-acre cemetery that serves 47,840 acres with an additional Sphere of Influence of 70,545 acres for approximately 29,860 people. The Cemetery District is located at 1 Cemetery Road at the intersection of Pine Mountain Road and Highway 41 and maintained by four full-time and 1 part-time employees with an average of 90 interments per year. The District meets every 3<sup>rd</sup> Tuesday at 9:00 am. The district adopted a policy to accept Creston residents per the resident fee schedule rates. The endowment fund is \$905,978 with 72% of the District's revenues coming from property taxes.

**Table 3  
Atascadero Cemetery District  
Financial Summary – Annual Audits – Three Years**

	2016	2015	2014
<b>Revenues</b>			
Property Tax	338,097	321,317	313,592
Fees- Sales	95,853	70,210	86,040
Interest	13,606	7,981	4,978
Other	21,781	14,377	18,442
Totals	469,337	413,885	423,052
<b>Expenses</b>			
Total Expenses	444,052	476,369	449,026
<b>Fund Balance</b>			
Fund Balance	25,285	(-62,484)	(-25,974)
Total Fund Balance	2,126,506	2,100,918	2,163,759
<b>Endowment</b>			
	905,978	880,910	865,691

**The Cambria Cemetery District** was formed in 1940 and serves 152,677 acres. It provides grounds maintenance and burials at its 12.2-acre cemetery site located at 6005 Bridge Street approximately one mile north of Cambria. The District's Service Area is coterminous with the Sphere of Influence serving 7,731 people. The cemetery district on average performs 40 interments per year with 1 full-time and 2 part-time employee's. The District meets every 2<sup>nd</sup> Wednesday at 9:30 am. The endowment fund is \$195,793 with 51% of the District's revenues coming from property taxes.

**Table 4  
Cambria Cemetery District  
Financial Summary – Annual Audits – Three Years**

	2016	2015	2014
<b>Revenues</b>			
Property Tax	97,502	94,200	88,316
Fees- Sales	90,778	75,987	101,136
Interest	1,080	708	453
Other	--	--	--
Totals	189,360	170,895	248,252
<b>Expenses</b>			
Total Expenses	195,008	199,705	177,067
<b>Fund Balance</b>			
Fund Balance	(-5,648)	(-28,810)	12,838
Total Fund Balance	223,225	219,314	189,852
<b>Endowment</b>			
	195,793	175,018	155,248

**The Cayucos-Morro Cemetery District** is located at 2451 Ocean Boulevard adjacent to Highway One near the town of Cayucos. The District was formed in 1938 with a service area of 112,016 acres. The District provides perpetual care and maintenance to its nine-acre site with 3 employees and 56 interments per year. The District serves approximately 17,850 people in the Morro Bay Cayucos area. The cemetery has reached 85% of its capacity. Full capacity reached is estimated by 2029. The District meets every 2<sup>nd</sup> Tuesday at 8:00 am. The endowment fund is \$441,553 with 71% of the District’s revenues coming from property taxes.

**Table 5  
 Cayucos-Morro Cemetery District  
 Financial Summary – Annual Audits – Three Years**

	2016	2015	2014
<b>Revenues</b>			
Property Tax	355,994	340,365	319,606
Fees- Sales	99,545	101,865	76,259
Interest	19,830	12,667	7,135
Other	--	--	--
Totals	475,369	454,897	403,000
<b>Expenses</b>			
Total Expenses	361,898	340,410	347,959
<b>Fund Balance</b>			
Fund Balance	113,471	114,487	55,041
Total Fund Balance	3,471,029	3,357,558	3,638,666
<b>Endowment</b>			
	441,553	418,343	396,853

**The Pleasant Valley Estrella Public Cemetery District** was formed in 1940 for the purpose of operating and maintaining Pleasant Valley Cemetery, Estrella Cemetery and the adobe church, which is, designated a historical landmark. Only the 1½-acre Pleasant Valley Cemetery remains active and is used for very few burials each year 0-2 interments. The Pleasant Valley Estrella Cemetery serves 51,998 acres and 4,929 people. The cemetery is located at 615 Trigo Lane and is maintained by volunteers with no property tax or endowment fund for assistance. The District meets four times a year on the 1<sup>st</sup> Monday of the quarter at 9:30 am (January, March, June, and September). The District has not submitted Annual Audits in the past three years however did respond to LAFCO’s survey request.

**The Paso Robles District Cemetery District** is a 35-acre site located just outside of Paso Robles on 45 Nacimiento Lake Drive. The District was formed in 1937 to provide burial services and grounds maintenance for the Paso Robles Cemetery which serves 142,884 acres and 35,880 people. The Sphere of Influence for the District is 61,367 acres and includes Pleasant Valley Estrella Cemetery District to the north. The District has 4 employees and contracts with a local contractor to operate and maintain the cemetery. Approximately 101 interments are provided per year with the cemetery at 50% capacity. The District meets every 4<sup>th</sup> Monday at 4:00 pm. The endowment fund is \$1,618,262 with 61% of the District's revenues coming from property taxes.

**Table 6  
 Paso Robles Cemetery District  
 Financial Summary – Annual Audits – Three Years**

	2016	2015	2014
<b>Revenues</b>			
Property Tax	470,399	439,749	412,098
Fees- Sales	276,400	245,599	224,053
Interest	15,409	11,910	10,321
Other	--	--	--
Totals	762,208	697,258	646,472
<b>Expenses</b>			
Total Expenses	725,703	674,875	663,707
<b>Fund Balance</b>			
Fund Balance	36,505	22,383	(-17,235)
Total Fund Balance	949,295	912,790	890,407
<b>Endowment</b>			
	1,563,966	1,501,415	1,441,437

**The San Miguel Cemetery District** was formed in 1939 and serves an area of 113,766 acres. The District provides grounds maintenance, graveside funerals and other related services with 1 full-time and 1 part-time employee's. The seven-acre cemetery site is located at 9405 Cemetery Road and averages approximately 10 interments each year and serves the Communities of San Miguel, Oak Shores and outlying areas. The population in the area is approximately 4,553 people. The cemetery is at 50% of its capacity with estimated additional 50-years available. The District meets every 3<sup>rd</sup> Wednesday at 1:00 pm. The endowment fund is \$48,968 with 91% of the District's revenues coming from property taxes.

**Table 7  
 San Miguel Cemetery District  
 Financial Summary – Annual Audits – Three Years**

	2016	2015	2014
<b>Revenues</b>			
Property Tax	79,976	76,383	69,310
Fees- Sales	3,135	4,320	4,295
Interest	1,315	896	532
Other	3,278	1,471	3,258
Totals	87,704	83,070	77,395
<b>Expenses</b>			
Total Expenses	97,142	92,553	90,424
<b>Fund Balance</b>			
Fund Balance	(-9,438)	(-9,483)	(-13,029)
Total Fund Balance	247,197	256,635	266,118
<b>Endowment</b>			
	48,968	46,268	45,368

**The Santa Margarita Cemetery District** serves 141,909 acres that include the communities of Santa Margarita, Garden Farms, La Panza and outlying areas. The Sphere of Influence covers 43,090 acres. The District was formed in 1915 and serves 4,381 people with a 3.5 acre site. The cemetery is located at 606 East Pozo Road. Three part-time employees provide maintenance and are responsible for an average 25 interments per year. The cemetery is at 95% capacity with an endowment fund of \$17,313 with 91% of the District’s revenues coming from property taxes. The District meets every 1<sup>st</sup> Tuesday at 5:00 pm. The district adopted a policy to accept Pozo residents per the resident fee schedule rates. The Santa Margarita Cemetery District has acquired land for future expansion from Santa Margarita Ranch.



**Table 8**  
**Santa Margarita Cemetery District**  
**Financial Summary – Annual Audits – Three Years**

	2014	2013	2012
<b>Revenues</b>			
Property Tax	32,036	33,431	31,023
Fees- Sales	2,500	6,100	--
Interest	180	237	--
Other	249	253	--
Totals	34,965	40,021	--
<b>Expenses</b>			
Total Expenses	24,599	29,204	26,963
<b>Fund Balance</b>			
Fund Balance	10,366	10,817	7,905
Total Fund Balance	96,700	86,334	58,454
<b>Endowment</b>			
	17,313	17,263	17,063

**The Shandon Cemetery District** was formed in 1921 and serves an area that covers over 249,019 acres with an additional 9,044 acres within the Sphere of Influence. The District provides services and grounds maintenance at the three-acre site located on Cemetery Road northeast of the community. With 1-5 interments per year the one part-time employee serves approximately 2,589 people. The cemetery is at 85% capacity sold with an endowment fund of \$17,257 with 95% of the District's revenues coming from property taxes. The District meets four times a year on the 3<sup>rd</sup> Tuesday of the quarter at 6:00 pm (August, October, March, and June). The District has not submitted annual audits since 2012 to the County Auditor, although the Auditor indicated Shandon was working on an audit.

**Table 9  
Shandon Cemetery District  
Financial Summary – Annual Audits – Three Years**

	2012	2011	2010
<b>Revenues</b>			
Property Tax	13,783	13,598	13,852
Fees- Sales	1,002	1,673	750
Interest	1,156	1,372	773
Other	--	--	--
Totals	16,652	17,005	13,804
<b>Expenses</b>			
Total Expenses	4,966	6,675	12,597
<b>Fund Balance</b>			
Fund Balance	10,764	8,303	1,685
Total Fund Balance	28,940	28,788	24,204
<b>Endowment</b>			
	Unknown	Unknown	Unknown

The Templeton Cemetery District was formed in 1938 and serves an area that covers over 63,886 acres with a 10-acre cemetery site. The cemetery is located off of Templeton Cemetery Road north of the community of Templeton. The District provides services and grounds maintenance with two contracted employees with an average 25 interments per year. The District serves 10,671 people and has a Sphere of Influence coterminous with the service area. The cemetery is at 75% of its capacity with estimated additional 40-years available. The District meets every 3<sup>rd</sup> Thursday at 4:00 pm. The current endowment fund is \$94,343 with 63% of the District's revenues coming from property taxes.

**Table 10  
Templeton Cemetery District  
Financial Summary – Annual Audits – Three Years**

	2016	2015	2014
<b>Revenues</b>			
Property Tax	105,351	100,674	94,130
Fees- Sales	56,819	42,300	43,090
Interest	1,491	934	336
Other	2,763	4,926	2,770
Totals	166,424	148,834	140,326
<b>Expenses</b>			
Total Expenses	156,284	128,798	125,361
<b>Fund Balance</b>			
Fund Balance	10,140	20,036	14,965
Total Fund Balance	284,085	273,945	253,909
<b>Endowment</b>			
	68,310	66,310	62,140

## **Municipal Service Review Determinations**

This portion of the report addresses the factors specified in the governing statute for Municipal Service Reviews, Government Code Section 56430.

### **1. Growth and Population Projections for the Affected Area**

The services that Cemetery Districts provide do not affect population growth or decline. The services and facilities provided by these agencies do not affect the rate or location of residential or other types of growth or land use change. However, increases in population may affect the operations of cemetery districts'. Those districts' that may anticipate and increase in population include: Arroyo Grande, Paso Robles and to a lesser extent Templeton and Atascadero.

### **2. Location and Characteristics of any Disadvantaged Unincorporated Communities**

Each Cemetery District has a variety of economic diversity that lives within the Districts' service area and surrounding area including within or adjacent to the Sphere of Influence. Disadvantaged community means a community with an annual median household income that is less than 80 percent of the statewide annual median household income. Disadvantaged unincorporated communities exist for the communities of San Miguel and Oceano which are located within or adjacent to Sphere of Influence and service area of some of the District serve boundaries.

### **3. Present and Planned Capacity of Public Facilities and Adequacy of Public Services, Including Infrastructure Needs or Deficiencies**

Presently, all Cemeteries have capacity to meet the district needs. Overall, the Cemeteries are well maintained with adequate water supplies for irrigation. Determinations about Infrastructure Needs and Deficiencies for each Cemetery District are shown above by the projections of available capacity for future interments. Information for this determination was not received from the following District's: Adelaida, Shandon, and Pleasant Valley Estrella Cemetery Districts. Capacity is not

often reached, and the percentage is an estimate. Districts are often working on solutions to the capacity issue in advance of reaching such limitation. Such solutions may include: additional sites/land, more efficient use of existing area, etc.

#### **4. Financial Ability of Agencies to Provide Services**

Most Districts' have an established fee schedule and endowment fund. In accordance with California Health and Safety Code Section 9065, the endowment fund principle may never be spent for any purpose. Under the law, the function of the endowment is to provide for continuous maintenance and care of the cemetery through the use of interest earned on the principal.

Each Board of Trustees adopts an annual budget and oversees expenditures throughout the fiscal year. Annual audits are typically submitted to the County Auditor, pursuant to the Health and Safety Code Section 9070. In reviewing the last three years of audits, all Districts' were shown to be in conformity with generally accepted accounting principles with the exception of Adelaida Cemetery and Pleasant Valley Estrella Cemetery for which Annual Audits were not available for any of the last three years. The financial circumstances affecting the districts vary, with some common parameters. A primary source of ongoing revenue is property tax, the growth of which is dictated by the circumstances of each community. The sale of lots, interments, fees, and other services are another important source of revenues.

#### **5. Status of, and Opportunities for, Shared Facilities**

The District's operate with minimal staff, are self-sufficient and efficient. Due to the distances between cemeteries and the close association of each one with their individual communities, there are no apparent opportunities for shared facilities. Paso Robles Cemetery assists with Pleasant Valley Estrella Cemetery as needed.

#### **6. Accountability for Community Service Needs, Including Governmental Structure and Operational Efficiencies**

A government structure option that might be considered includes consolidation of two cemetery districts (Adelaida and Pleasant Valley Estrella) which may have operational or fiscal benefits by combining administrative and work crews, budgets and audits and so forth. We find these cemetery districts are uniquely related and tied to their specific communities. Members of the Board of Trustees are often long-time residents with deep roots in the community. The care, appearance and operation of the cemetery are personally important to them because of family and friends.

### **Consolidation Process Disadvantages & Advantages**

Consolidation means the uniting or joining of two or more districts into a single new successor district. A consolidation proposal could be initiated by the Board of Supervisors, LAFCO, registered voters, landowners, or the special districts. Provisions of Cortese-Knox-Hertzberg Local Government Act of 2000, which governs changes in local government, also provide for a streamlined consolidation process if the boards of both districts find that consolidation is in the best interest of residents and adopt similar resolutions of application for consolidation. Pursuant to Government Code Section 56853, if the Board of Directors of each District proposing Reorganization adopted substantially similar resolutions of application for proceedings the Commission would not have the discretion to amend, modify, or deny the proposal. Government Code Section 56853 provides the following:

*“If a majority of the members of each of the legislative bodies of two or more local agencies adopt substantially similar resolutions of application making proposals either for the consolidation of districts or for the reorganization of all or any part of the districts into a single local agency, the commission shall approve, or conditionally approve, the proposal. The commission shall order the consolidation or reorganization without an election, except as otherwise provided in subdivision (b) of Section 57081.”*

If a proposal is initiated by any group or agency, except LAFCO<sup>1</sup>, it would be subject to a LAFCO hearing and if approved by LAFCO, a protest process in which 25% of the registered voters or landowners within either of the districts would trigger an election.

Typically, with regard to operating revenues, a consolidated district would inherit the property tax shares and other revenues of the predecessor district. In the case of Adelaida and Pleasant Valley Estrella Cemetery Districts property tax is not collected making it difficult to provide adequate services. Under a LAFCO initiation, two studies will generally be conducted prior to a LAFCO consideration. Initially, a Sphere of Influence or a Special Study will be conducted in accordance with State Law (§56425, & §56378). Based on the conclusions of the first study will determine whether to conduct a Reorganization Study to comprehensively investigate proposed changes of organization. Within 60-days of the adopted Commission Resolution the affected agency may submit a substantially similar resolution for which LAFCO will process the proposal in accordance with policy and procedures and take no further action on the Reorganization Study.

Prior to approving the proposal the Commission must determine that the public service costs are likely to be less than or substantially similar to, the cost of alternative means of providing the service (§56881(b)(1)), and find that the change of organization promotes public access and accountability for community service needs and financial resources (§56881(b)(2)). While consolidations lessen local representation, they do not decrease the accountability and responsibility of representative governance. A consolidation requires board members to represent a greater number of residents. The new board must act in a responsible manner representing the new service territory with differing degrees of service issues, with a greater number of constituents. Another unique concern with the Pleasant Valley Estrella Cemetery would be the deed restriction placed on the land that does not allow fees to be charged making it that much harder financially to offset the costs.

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<sup>1</sup> LAFCO initiated proposals require an election if 10% of the registered voters or landowners within either district submit written protest and if there is an election, majority voter approval would be required by voters in both district boundaries.

## **7. Any Other Matter Related to Effective or Efficient Service Delivery, as Required by Commission Policy**

### **Cost-Avoidance Opportunities**

Statutes strictly establish the manner in which cemeteries operate and the manner in which cemetery districts carry out their activities. The “Guide to Public Cemetery Operation,” published by the California Association of Public Cemeteries, includes State laws pertaining to the operation of public cemeteries. There are no obvious opportunities to avoid costs other than possible savings that might result from functional consolidations in which certain activities or staff are shared between two or more cemetery districts. There may be benefits for individual districts and communities if there were a common work force that could be applied to cemeteries where specific work is needed. Likewise, having a single financial staff shared by two or more districts may be more efficient than the current system for accounting, paying bills and personnel compensation and benefits.

## REFERENCES

- San Luis Obispo County Public Cemetery Districts Survey, 2017
- Correspondence from the Cemetery Districts, 2017
- Guide to Public Cemetery Operations, 2010
- California Department of Finance E-4 Report, 2010
- Independent Audits Submitted to the County Auditor-Controller, 2012-2016
- Bi-Annual Resource Summary Report, County Department of Planning and Building, 2014-2016
- Regional Profile, Council of Governments, 2004
- Public Cemetery Districts Sphere of Influence & Municipal Service Review, 2010
- U.S. Census 2010, U.S Census Bureau

## Individuals and Agencies Contacted

Special thanks to the following public servants who provide our County residents with caring and compassionate cemetery services:

Jim Erb, San Luis Obispo County Auditor-Controller's Office

Bill Dodd, Adelaida Cemetery District

Mike Marsalak, Arroyo Grande Cemetery District

Gilbert Cabrera, Atascadero Cemetery District

Tim Burres, Cambria Cemetery District

Dale Guerra, Cayucos-Morro Cemetery District

Suze Evenson, Pleasant Valley Estrella Cemetery District

Tom Flynn, Paso Robles District Cemetery

Janet Wood, San Miguel District Cemetery

Collen Anderson, Santa Margarita Cemetery District

Kate Twisselman, Shandon Cemetery District

Sandy Cowell, Templeton Cemetery District



# PUBLIC CEMETERY DISTRICT SURVEY: 2017 – RESULTS

ATTACHMENT A



Please complete as indicated and return **NO LATER THAN OCTOBER 31, 2017** to:

SLO LAFCO  
1042 Pacific Street, Suite A  
San Luis Obispo, CA 93401

Tel: 805-781-5795 Fax: 805-788-2072

## Survey

	Adelaida	Arroyo	Atascadero	Cambria	Cayucos	Estrella	Paso	San Miguel	Margarita	Shandon	Templeton
1) Has your Board Meetings (date/time/place) changed?	--	No	No	--	Yes	Yes	No	No	No	--	No
If yes, please indicate any changes.	--	--	--	--	2 <sup>nd</sup> Tue	4 times/yr	--	--	--	--	--
2) Has the District acquired or sold any land since 2010.	--	No	No	--	No	No	No	No	No	--	No
3) Acres of undeveloped land.	--	23ac	50ac	--	0	N/A	14ac	2ac	None	--	3.5ac
4) % of capacity occupied.	--	80%	85%	--	85%	80% - ?	50%	50%	95%	--	75%
5) Estimated Year at 100% capacity.	--	2040	2023	--	2029	--	2090+	2070+	2020	--	--
6) Number of Interments per year. (for last 5-years)	--	166	90	--	56	--	101	10	15-20	--	22+
7) Number of employees (FT/PT).	--	3FT	3FT - 1PT	--	3FT	0	4FT	1FT - 1PT	2PT	--	None
8) % of Revenue from property taxes.	--	29%	66%	--	71%	0	58%	--	90%	--	50%
9) Current Endowment Fund in dollars.	--	\$1,478,818	\$922,889	--	\$470,372	0	\$1,618,262	\$59,001	\$16,352	--	\$94,343
10) Current Fees charged, if any. (Attach Fee Schedule)	--	Attached	Attached	--	Attached	Attached	Attached	Attached	Attached	--	Attached
11) Has the District adopted or changed Operational Guidelines? Please Attach	--	No	No	--	No	Yes	No	No	No	--	No
12) Has the District completed any capital improvements in the last 5 years? Please list.	--	No	Yes	--	No	Yes	Yes	No	No	--	Yes
13) Does the District have any planned capital improvement projects? Please list.	--	No	Yes	--	Yes	No	Yes	No	Yes	--	Yes
14) What suggestions does the District have for a Sphere of Influence boundary?	--	None	None	--	None	None	None	None	None	--	None
15) Please provide a copy of the Budget for the last two years.	--	Attached	Attached	--	Attached	--	Attached	Attached	Attached	--	Attached
16) Does the District carry adequate insurance coverage?	--	Yes	Yes	--	Yes	Yes	Yes	Yes	Yes	--	Yes
17) Does the District prepare annual audits?	--	Yes	Yes	--	Yes	No	Yes	Yes	Yes	--	Yes
18) Does the District have a website?	--	Yes	No	--	No	No	Yes	No	No	--	Yes

End of Survey

Thank you for your participation

**ATTACHMENT 1**

**NOTICE OF EXEMPTION**

**TO:** Office of Planning and Research  
1400 Tenth Street, Room 121  
Sacramento, CA 95814

**FROM:** San Luis Obispo LAFCO  
1042 Pacific Street  
San Luis Obispo, CA 93401

Tommy Gong, County Clerk  
County of San Luis Obispo  
County Government Center  
San Luis Obispo, CA 93401

**CONTACT:** David Church, Executive Officer  
(805) 781-5795

**Project Title:** San Luis Obispo County Public Cemetery Districts  
Municipal Service Review and Sphere of Influence Update

**Project Location and Description.** LAFCO has prepared a Sphere of Influence (SOI) Update and Municipal Service Review for the 11 Public Cemetery Districts located in San Luis Obispo County. The SOI is a 20-year growth boundary that includes areas that may be served by a District in the future. This SOI update and Service Review recommends maintaining the same boundaries for all 11 Districts. Cemetery Districts are legally authorized to provide standard cemetery functions, including land acquisition, burials, cemetery maintenance, and grounds keeping. As a special district, public cemeteries are a government agency required to have an adopted and updated Sphere of Influence. The Cortese-Knox-Hertzberg Act calls for the Service Review to be completed either prior to or concurrent with, the Sphere of Influence update. The Service Review evaluates the public services provided by the Districts and provides the information base for updating the SOIs.

**Public Agency Approving Project.** The Local Agency Formation Commission (LAFCO) of San Luis Obispo County conducted a public hearing on this item on March 15, 2018 at 9:00 a.m. in the Board of Supervisors Chambers in San Luis Obispo at the County Government Center.

**Environmental Determination.** LAFCO is the Lead Agency for the proposed Sphere of Influence Update and Service Review. The purpose of the environmental review process is to provide information about the environmental effects of the actions and decisions made by LAFCO and to comply with the California Environmental Quality Act (CEQA). The MSR qualifies for a Class 6 - Regulation Section 15306. Additionally, the SOI updates qualify for a general rule exemption from environmental review based upon CEQA Regulation Section 15061(b)(3).

**Reasons for Exemption.** The proposed Sphere of Influence Update and Municipal Services Review does not involve, authorize or permit the siting or construction of any facilities associated with any of the 11 public cemeteries in San Luis Obispo County. The MSR is categorically exempt from the preparation of environmental documentation under a classification related to information gathering (Class 6 - Regulation Section 15306), which states: "Class 6 consists of basic data collection, research, experimental management, and resource evaluation activities which do not result in a serious or major disturbance to an environmental resource. These may be strictly for information gathering purposes, or as part of a study leading to an action which a public agency has not yet approved, adopted, or funded." CEQA Regulation Section 15061(b)(3) states "The activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA." There are no land use changes or environmental impacts created or recommended by the SOI update. No changes to the Spheres of Influence of the 11 other public cemeteries are recommended in the Sphere of Influence Update document.

\_\_\_\_\_  
David Church, Executive Officer

\_\_\_\_\_  
Date