

AGENDA

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

REGULAR MEETING OF NOVEMBER 18, 2020

IMPORTANT NOTICE REGARDING THE NOVEMBER 18, 2020 COMMISSION MEETING

The Local Agency Formation Commission for San Bernardino County (LAFCO or Commission) will conduct this meeting virtually by videoconference and/or teleconference in compliance with waivers to certain Brown Act provisions under the Governor's Executive Order N-29-20, and members of the Commission or LAFCO staff will participate in this meeting telephonically or electronically. The public may participate in the meeting by joining the meeting virtually, by phone, or viewing the meeting live, and may provide general comments and comments on specific agenda items, as described below:

Instructions for Viewing or Listening to the meeting:

Members of the public may:

- Join the virtual meeting on Zoom using the following link: <https://zoom.us/j/81870859765>
- Listen to the meeting by calling (669) 900-9128 and enter the Meeting ID: 81870859765#
- Watch the meeting via YouTube live stream using the following link: https://www.youtube.com/channel/UCpEpEankM-uoTTa8c_OyV1Q

Instructions for Making Comments and Testimony:

If you wish to make comment on a specific agenda item or a general comment under public comment you can do so by:

- On Zoom video conference via the web or the Zoom App, click the 'Raise Hand' button when the item you wish to comment on is being discussed.
- On Zoom via phone, you can also raise your hand by pressing *9 when the item you wish to comment on is being discussed.

Alternatively, if you wish to make written comments on specific agenda items, make general comments, or submit testimony for public hearings, you can send comments and testimony to LAFCO, limited to a maximum of 250 words, by email at lafco@lafco.sbcounty.gov, online at www.sbclafco.org/AgendaandNotices/Agendas/PublicComments.aspx, or by mail to LAFCO, 1170 West 3rd Street, Unit 150, San Bernardino, CA 92415-0490, for receipt no later than 7:30 a.m. on the meeting day. These comments and testimony will be read on to the meeting record at the appropriate time.

This change in public participation will continue until further notice and supersede any LAFCO standard public comment and testimony policies and procedures to the contrary.

9:00 A.M. – CALL TO ORDER – FLAG SALUTE

ANNOUNCEMENT: Anyone present at the hearing who is involved with any of the changes of organization to be considered and who has made a contribution of more than \$250 in the past twelve (12) months to any member of the Commission will be asked to state for the record the Commission member to whom the contribution has been made and the matter of consideration with which they are involved.

CONSENT ITEMS:

The following consent items are expected to be routine and non-controversial and will be acted upon by the Commission at one time without discussion, unless a request has been received prior to the hearing to discuss the matter.

1. [Approval of Minutes for Regular Meeting of September 16, 2020](#)
2. [Approval of Executive Officer's Expense Report](#)
3. [Ratify Payments as Reconciled and Note Cash Receipts for the Months of August and September 2020](#)
4. [First Quarter Financial Review for Period July 1 through September 30, 2020](#)
5. Consent Items Deferred for Discussion

PUBLIC HEARING ITEMS:

6. [Consideration of: \(1\) CEQA Exemption for LAFCO 3245 and \(2\) LAFCO 3245 –Countywide Service Review of Public Cemetery Districts](#)

DISCUSSION ITEMS:

7. [LAFCO SC#454– Request for Exemption from the Provisions of Government Code Section 56133 for Agreement between Big Bear City Community Services District and the City of Big Bear Lake Department of Water and Power](#)

INFORMATION ITEMS:

8. Legislative Oral Report
9. [Executive Officer's Oral Report](#)
10. Commissioner Comments
(This is an opportunity for Commissioners to comment on issues not listed on the agenda, provided that the subject matter is within the jurisdiction of the Commission and that no action may be taken on off-agenda items unless authorized by law.)
11. Comments from the Public
(By Commission policy, the public comment period is limited to five minutes per person for comments related to other items under the jurisdiction of LAFCO not on the agenda.)

The Commission may adjourn for lunch from 12:00 to 1:30 p.m. The Commission may take action on any item listed in this Agenda whether or not it is listed for Action. In its deliberations, the Commission may make appropriate changes incidental to the above-listed proposals.

Materials related to an item on this Agenda submitted to the Commission or prepared after distribution of the agenda packet will be available for public inspection in the LAFCO office at 1170 West Third Street, Unit 150, San Bernardino, during normal business hours, on the LAFCO website at www.sbclafco.org, and at the hearing.

Current law and Commission policy require the publishing of staff reports prior to the public hearing. These reports contain technical findings, comments, and recommendations of staff. The staff recommendation may be accepted or rejected by the Commission after its own analysis and consideration of public testimony.

IF YOU CHALLENGE ANY DECISION REGARDING ANY OF THE ABOVE PROPOSALS IN COURT, YOU MAY BE LIMITED TO RAISING ONLY THOSE ISSUES YOU OR SOMEONE ELSE RAISED DURING THE PUBLIC TESTIMONY PERIOD REGARDING THAT PROPOSAL OR IN WRITTEN CORRESPONDENCE DELIVERED TO THE LOCAL AGENCY FORMATION COMMISSION AT, OR PRIOR TO, THE PUBLIC HEARING.

The Political Reform Act requires the disclosure of expenditures for political purposes related to a change of organization or reorganization proposal which has been submitted to the Commission, and contributions in support of or in opposition to such measures, shall be disclosed and reported to the same extent and subject to the same requirements as provided for local initiative measures presented to the electorate (Government Code Section 56700.1). Questions regarding this should be directed to the Fair Political Practices Commission at www.fppc.ca.gov or at 1-866-ASK-FPPC (1-866-275-3772).

A person with a disability may contact the LAFCO office at (909) 388-0480 at least 72-hours before the scheduled meeting to request receipt of an agenda in an alternative format or to request disability-related accommodations, including auxiliary aids or services, in order to participate in the public meeting. Later requests will be accommodated to the extent feasible.

11/9/20:

**DRAFT
ACTION MINUTES OF THE
LOCAL AGENCY FORMATION COMMISSION
FOR SAN BERNARDINO COUNTY**

REGULAR MEETING

9:00 A.M.

SEPTEMBER 16, 2020

The Commission conducts the meeting virtually by videoconference (via Zoom) and teleconference (via Zoom phone) and broadcast live via YouTube live stream in compliance with the Governor's Executive Order N-29-20 in response to the COVID-19 pandemic.

**PRESENT:
COMMISSIONERS:**

Regular Member	Alternate Member
Larry McCallon, Chair	Dieter Dammeier
James Bagley	Steven Farrell
Kimberly Cox	Janice Rutherford
James Curatalo, Vice-Chair	
Dawn Rowe	
Acquanetta Warren	

STAFF:

Samuel Martinez, Executive Officer
Paula de Sousa, LAFCO Legal Counsel
Michael Tuerpe, Senior Analyst
Angela Schell, Administrative Assistant

ABSENT:

COMMISSIONERS: Robert Lovingood
Rick Dennison

9:00 A.M. – CALL TO ORDER – FLAG SALUTE AND ROLL CALL

Chair McCallon makes an announcement regarding the meeting/hearing being conducted via videoconference and teleconference as well as broadcast live via YouTube in compliance with waivers to certain Brown Act provisions under the Governor's Executive Orders due to the COVID-19 Coronavirus pandemic.

ANNOUNCEMENT OF CONTRIBUTIONS

CONSENT ITEMS:

- 1. Approval of Minutes for Regular Meeting of September 16, 2020**
- 2. Approval of Executive Officer's Expense Report**

Recommendation: Approve the Executive Office's Expense for Procurement Card Purchases from June 23, 2020, to July 22, 2020 and July 23, 2020 to August 24, 2020.

3. Ratify Payments as Reconciled and Note Cash Receipts for Months of June and July 2020

Recommendation: Ratify payments as reconciled for the months of June and July 2020 and note revenue receipts for the same period.

4. Review of Service Review Schedule for FY 2020-21

Recommendation: Staff recommends that the Commission receive and file revised service review schedule for FY 2020/21 (cemetery districts and recreation and park functions of local agencies).

5. Consideration of: (1) CEQA Statutory Exemption for LAFCO SC#452; and (2) LAFCO SC#452 – City of San Bernardino Irrevocable Agreement to Annex No. 2020-003 for Sewer Service (APNs 0268-291-32, -33, & -34)

Recommendation: Staff recommends that the Commission approve LAFCO SC#452 by taking the following actions:

1. Certify that LAFCO SC#452 is exempt from environmental review and direct the Executive Officer to file a Notice of Exemption within five (5) days of this action.
2. Approve LAFCO SC#452 authorizing the City of San Bernardino to extend sewer service outside its boundaries to three parcels, Assessor Parcel Numbers 0268-291-32, 0268-291-33, and 0268-291-34.
3. Adopt Resolution #3314 setting forth the Commission's determination and approval of the agreement for service outside the City of San Bernardino's boundaries.

6. Note Receipt of Proposal Initiated by City Council Resolution – LAFCO 3243 – Reorganization to Include Annexation to the City of Fontana, the Fontana Fire Protection District, the West Valley Water District and the San Bernardino Valley Municipal Water District, and Detachment from the San Bernardino County Fire Protection District, its Valley Service Zone and its Zone FP-5, and County Service Area 70

No action is required of the Commission other than to note receipt of the proposal.

7. Consent Items Deferred for Discussion (none)

Commissioner Bagley moves the approval of the Consent Items. Second by Commissioner Rutherford. The motion passes with the following roll call vote:

Ayes: Bagley, Curatalo, Farrell, McCallon, Rowe, Rutherford, and Warren.

Noes: None.

Abstain: None.

Absent: Cox (Farrell voting in her stead), Lovingood (Rutherford voting in his stead).

PUBLIC HEARING ITEMS:

8. LAFCO SC#453 – City of Redlands Pre-Annexation Agreement No. 20-51 for Water and Sewer Service (Assessor Parcel Number 0298-412-01)

Recommendation: Staff recommends that the Commission approve LAFCO SC#453 by taking the following actions:

1. For Environmental review as the responsible agency:
 - a. Certify that the Commission, its staff, and its Environmental Consultant have reviewed and considered the environmental assessment and Mitigated Negative Declaration prepared by the County of San Bernardino for a Conditional Use Permit for the development of a gas station, convenience store and car wash on approximately 1.28 acres, and found them to be adequate for Commission use;
 - b. Determine that the Commission does not intend to adopt alternatives or additional mitigation measures for this project; that all mitigation measures are the responsibility of the County of San Bernardino and/or others, not the Commission, and are self-mitigating through implementation of the Conditions of Approval; and,
 - c. Note that this proposal is exempt from Department Fish and Wildlife fees because the filing fees was the responsibility of the County as CEQA lead agency, and direct the Executive Officer to file a Notice of Determination within five (5) days of this action.
2. Approve LAFCO SC#453 authorizing the City of Redlands to extend water and sewer service outside its boundaries to Assessor Parcel Number 0298-412-01.
3. Approve LAFCO Resolution #3315 setting forth the Commission's determinations and approval of the agreement for service outside the City of Redlands' boundaries.

Commissioner Bagley moves approval of staff recommendation. Second by Commissioner Warren. The motion passes with the following roll call vote:

*Ayes: Bagley, Curatalo, Farrell, McCallon, Rowe, Rutherford, and Warren.
Noes: None.
Abstain: None.
Absent: Cox (Farrell voting in her stead), Lovingood (Rutherford voting in his stead).*

9. LAFCO 3241 – Request for Reconsideration Submitted by Patrick Kaemerle (on behalf of Inland Real Estate Group, LLC) of the Commission's Approval of LAFCO 3241 – Reorganization to Include Annexation to the City of Rancho Cucamonga and Detachment from County Service Area 70 (Etiwanda Heights Neighborhood and Conservation Plan)

Recommendation: Deny the Request for Reconsideration submitted by Mr. Kaemerle (on behalf of the Inland Real Estate Group, LLC) of the Commission's approval of LAFCO 3241 as outlined in LAFCO Resolution No. 3312 and proceed with the protest proceedings for LAFCO 3241.

Public comment was provided by:

Patrick Kaemerle, representing Inland Real Estate Group, LLC

Matthew Burris, Deputy City Manager, City of Rancho Cucamonga

Commissioner Curatalo moves to approve staff recommendation. Second by Commissioner Bagley. The motion passes with the following roll call vote:

Ayes: Bagley, Curatalo, Farrell, McCallon, Rowe, Rutherford, and Warren.

Noes: None.

Abstain: None.

Absent: Cox (Farrell voting in her stead), Lovingood (Rutherford voting in his stead).

10. Reorganization of Staff Composition to Include:

- **Recruitment for an Analyst-GIS/Database Management**
- **Review and Adoption of Amendments to LAFCO Policy and Procedure Manual Section III – Human Resources**
- **Reclassify the Administrative Assistant**

Recommendation: Staff recommends that the Commission take the following actions:

1. For the unfilled Analyst-GIS/Database Management position:
 - a. Authorize recruitment to fill the position.
 - b. Authorize the Executive Officer to sign a contract with an employment/recruitment firm for an amount not to exceed \$5,000, following review by LAFCO Legal Counsel.
2. Modify the Policy and Procedure Manual Section III – Human Resources, Chapter 5 – Benefits Plan:
 - a. Policy 1B – Benefit Plan Groups (new category for new employees).
 - b. Policy 8A – 401K Savings Plan (reduction for new employees).
3. For Angie Schell's position of Administrative Assistant (Range 42):
 - a. Reclassify to Clerk (Range 50) in order for compensation to be commensurate with duties performed.
 - b. Enter the Clerk position with a two-step increase at Step 8 of Range 50 pursuant to Policy and Procedure Manual Section III – Human Resources, Chapter 2 – Employment, Policy 4E – Promotions.
 - c. Retroactively enter Range 50 effective September 14, 2020, the start of a pay period.
4. Approve LAFCO Draft Resolution No. 3316.

Commissioner Bagley moves to approve staff recommendation. Second by Commissioner Farrell. The motion passes with the following roll call vote:

Ayes: Bagley, Curatalo, Farrell, McCallon, Rowe, Rutherford, and Warren.

Noes: None.

Abstain: None.

Absent: Cox (Farrell voting in her stead), Lovingood (Rutherford voting in his stead).

Commissioner Cox attends the Zoom meeting at 10:04 a.m.

DISCUSSTION ITEM:

11. Update on Sustainability of the City of Adelanto, related to LAFCO 3232 – Sphere of Influence Amendment for the City of Adelanto

Recommendation: Staff recommends that the Commission:

1. Receive and file this report.
2. Schedule an update for the City for the January 2021 meeting, unless otherwise directed by the Commission.

Public comment was provided by:

Ward Kormers, Finance Director, City of Adelanto

Gabriel Reyes, Mayor, City of Adelanto

Jessie Flores, City Manager, City of Adelanto

Commissioner Cox moves to approve staff recommendation. Second by Commissioner Warren. The motion passes with the following roll call vote:

Ayes: Bagley, Cox, Curatalo, McCallon, Rowe, Rutherford, and Warren.

Noes: None.

Abstain: None.

Absent: Lovingood (Rutherford voting in his stead).

12. Continued Monitoring from LAFCO 3231 (Countywide Fire Service Review) for Barstow Fire Protection and the City of Barstow (TO BE CONTINUED TO THE JANUARY 20, 2021 MEETING)

Recommendation: Staff recommends that the Commission continue this item to January 20, 2021 meeting.

Commissioner Rutherford moves to approve staff recommendation. Second by Commissioner Curatalo. The motion passes with the following roll call vote:

Ayes: Bagley, Cox, Curatalo, McCallon, Rowe, Rutherford, and Warren.

Noes: None.

Abstain: None.

Absent: Lovingood (Rutherford voting in his stead).

13. Continued Monitoring from LAFCO 3231 (Countywide Fire Service Review) for San Bernardino County Fire Protection District (TO BE CONTINUED TO THE JANUARY 20, 2021 MEETING)

Recommendation: Staff recommends that the Commission continue this item to the January 20, 2021 meeting.

Commissioner Rutherford moves to approve staff recommendation. Second by Commissioner Curatalo. The motion passes with the following roll call vote:

Ayes: Bagley, Cox, McCallon, Rowe, Rutherford, and Warren.
Noes: None.
Abstain: None.
Absent: Lovingood (Rutherford voting in his stead).

14. Appointment of Voting Delegate and Alternate Voting Delegate for the 2020 CALAFCO Board of Directors Election and Nominations for CALAFCO Board Member

Recommendation: Staff recommends that the Commission:

1. Select Commission Chair Larry McCallon as voting delegate (and Jim Curatalo as alternate voting delegate) to cast this Commission's vote for CALAFCO Board Member election and any items for the Annual Business Meeting, should CALAFCO have one; and,
2. For CALAFCO Board Member election nomination/selection:
 - Option 1 – If any of our City and/or a Public member Commissioner from this Commission is interested to serve on the CALAFCO Board of Directors, nominate said City and/or Public member Commissioner and direct the voting delegate to select this LAFCO's nominated City and/or Public Member as the Southern Region representatives to the CALAFCO Board of Directors; or,
 - Option 2 – Direct the voting delegate to select the incumbents Cheryl Brothers (Orange LAFCO) for the City Member Seat and David West (Imperial LAFCO) for the Public Member Seat as the Southern Region representatives to the CALAFCO Board of Directors.

Commissioner Bagley moves to approve staff recommendation. Second by Commissioner Cox. The motion passes selecting Option 2 with the following roll call vote:

Ayes: Bagley, Cox, Curatalo, McCallon, Rowe, Rutherford, and Warren.
Noes: None.
Abstain: None.
Absent: Lovingood (Rutherford voting in his stead).

INFORMATION ITEMS:

15. Legislative Oral Report

Executive Officer Samuel Martinez states the legislative year has ended September 1. He noted that the Legislature was focused on addressing mostly COVID 19 related bills and, therefore, all of the bills that LAFCO and CALAFCO were tracking will likely be introduced next year.

16. Executive Officer's Oral Report

Executive Officer Samuel Martinez states the next meeting will be in November and the Commission is scheduled to have the cemetery districts service review.

He also requests that the Commission provide direction on whether staff should move forward with the session it was putting together for the CALAFCO Annual Conference given that CALAFCO is now moving forward with a series of webinars due to the cancellation of this year's in-person conference and he wants to make sure he follows the Commission's expectation given its stance from the last meeting of not having any virtual sessions for the Conference.

17. Commissioner Comments

Commissioner Bagley expresses concerns on cancelling meetings and the financial implications, and asked the status of how we're doing at the moment?

Mr. Martinez responds by saying that we are not cancelling due to lack of applications but rather as part of our budget, the Commission approved reducing our meetings to six for the year as a cost saving measure.

18. Comments from the Public

There is none.

THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE COMMISSION, THE MEETING ADJOURNS AT 10:46 A.M.

ATTEST:


ANGELA SCHELL, Clerk to the Commission

LOCAL AGENCY FORMATION COMMISSION

LARRY McCALLON, Chair

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

1170 West 3rd Street, Unit 150 San Bernardino, CA 92415-0490
(909) 388-0480 • Fax (909) 388-0481
lafco@lafco.sbcounty.gov
www.sbclafco.org

DATE : NOVEMBER 10, 2020 
FROM: SAMUEL MARTINEZ, Executive Officer
TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: AGENDA ITEM #2 – APPROVAL OF EXECUTIVE OFFICERS’ EXPENSE REPORT

RECOMMENDATION:

Approve the Executive Officers’ Expense Report for Procurement Card Purchases from August 25, 2020 to September 22, 2020 and September 23, 2020 to October 22, 2020.

BACKGROUND INFORMATION:

The Commission participates in the County of San Bernardino’s Procurement Card Program to supply the Executive Officer a credit card to provide for payment of routine official costs of Commission activities as authorized by LAFCO Policy and Procedure Manual Section II – Accounting and Financial Policies #3(H). Staff has prepared an itemized report of purchases that covers the billing period of August 24, 2020 to August 25, 2020 to September 22, 2020 and September 23, 2020 to October 22, 2020.

The September statement shows a credit for a laptop (\$1,511.99) that was billed, delayed in transit, and routed back to the vendor (Staples Direct) in August. In turn, staff purchased a different laptop from a different vendor in September (Golden Star Tech).

Staff recommends that the Commission approve the Executive Officers’ expense reports as shown on the attachments.

SM/MT


Attachments

Approving Official (Print & Sign)	Date
Larry McCallon	11/19/20

Approving Official (Print & Sign)	Date
Larry McCallon	11/19/20

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

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DATE : NOVEMBER 10, 2020
FROM: SAMUEL MARTINEZ, Executive Officer 
TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: AGENDA ITEM #3 - RATIFY PAYMENTS AS RECONCILED FOR
THE MONTHS OF AUGUST AND SEPTEMBER 2020 AND NOTE
REVENUE RECEIPTS

RECOMMENDATION:

Ratify payments as reconciled for the months of August and September 2020 and note revenue receipts for the same period.

BACKGROUND INFORMATION:

Staff has prepared a reconciliation of warrants issued for payments to various vendors, internal transfers for payments to County Departments, cash receipts and internal transfers for payments of deposits or other charges that cover the period of August 1, 2020 through August 31, 2020 and September 1, 2020 through September 30, 2020.

Staff recommends that the Commission ratify the payments for August and September 2020 as outlined on the attached listings and note the revenues received.



SM/MT

Attachments

MONTH OF AUGUST 2020 PAYMENTS PROCESSED							
Document Number	Account	Posting Date	Vendor	Invoice	Reference	Amount	
1900832097	5200 2041	08/24/20	Century Link	140864213		\$ 345.38	
1900824899	5200 2080	08/14/20	Calif Assoc. of Public Cemeteries	1090	Handbook	\$ 35.00	
1900822927	5200 2090	08/12/20	Jan Pro	73066		\$ 490.00	
1900793400	5200 2090	08/14/20	City Com	6/26/2020	Air Conditioner Maintenance	\$ 345.00	
1900832093	5200 2180	08/24/20	So Cal Edison	2-39-945-2309		\$ 372.39	
1900821597	5200 2305	08/12/20	Shred It	8180231643		\$ 2.79	
1900819580	5200 2315	08/10/20	Storetrieve	136157		\$ 64.37	
1900821568	5200 2400	08/12/20	Best Best & Krieger	883123	Litigation	\$ 92.70	
1900821570	5200 2400	08/12/20	Best Best & Krieger	883122	Labor & Employment	\$ 154.50	
1900821572	5200 2400	08/12/20	Best Best & Krieger	883121	San Antonio Heights	\$ 418.80	
1900821575	5200 2400	08/12/20	Best Best & Krieger	883120	San Antonio Heights	\$ 48.00	
1900821577	5200 2400	08/12/20	Best Best & Krieger	883119	General	\$ 1,340.00	
1900825855	5200 2424	08/18/20	Tom Dodson	LAFCO 20-7		\$ 815.00	
1900801304	5200 2445	08/14/20	Janice Rutherford	7/15/2020	Commission meeting stipend	\$ 200.00	
1900825830	5200 2445	08/18/20	James Curatalo	7/21/2020	Commission meeting stipend	\$ 200.00	
1900824233	5200 2449	08/14/20	Colantuono Hishsmith & Whatley	43337	Spring Valley Lake CSD	\$ 165.00	
1900824892	5200 2895	08/14/20	Konica Minolta	35956004		\$ 428.47	
1900793400	5200 2905	08/14/20	City Com	6/26/2020	Lease Payment	\$ 15,057.90	
TOTAL						\$ 20,575.30	
MONTH OF AUGUST 2020 INTERNAL TRANSFERS PROCESSED							
4101486689	5200 2031	08/01/20	ISD		JUL 2020 Payroll System Services (EMACS)	\$ 102.00	
4101486693	5200 2037	08/01/20	ISD		JUL 2020 Dial Tone	\$ 255.06	
4101507668	5200 2305	08/31/20	Purchasing		7312715100000001	\$ 23.38	
4101507669	5200 2305	08/31/20	Purchasing		7312909287000001	\$ 3.42	
4101486696	5200 2322	08/01/20	ISD		JUL 2020 Enterprise Printing (EMACS)	\$ 7.14	
4101486702	5200 2420	08/01/20	ISD		JUL 2020 Wireless Device (Exchange Active Sync)	\$ 17.59	
4101486759	5200 2421	08/01/20	ISD		JUL 2020 Desktop Support Services	\$ 935.55	
4101476764	5241 2410	08/01/20	ISD		IT Infrastructure - Period 01	\$ 806.00	
4101486697	5241 2410	08/01/20	ISD		IT Infrastructure - Period 02	\$ 806.00	
4101476767	5241 2417	08/01/20	ISD		Enterprise Content Management - Period 01	\$ 157.00	
4101486700	5241 2417	08/01/20	ISD		Enterprise Content Management - Period 02	\$ 157.00	
4101476768	5241 2418	08/01/20	ISD		Storage - Tier 3 - Period 01	\$ 192.00	
4101476768	5241 2418	08/01/20	ISD		Storage - Tier 1 - Period 01	\$ 211.00	
4101486701	5241 2418	08/01/20	ISD		Storage - Tier 3 - Period 02	\$ 192.00	
4101486701	5241 2418	08/01/20	ISD		Storage - Tier 1 - Period 02	\$ 211.00	
4101507668	5540 5012	08/31/20	Purchasing		7312715100000001	\$ 194.80	
4101507669	5540 5012	08/31/20	Purchasing		7312909287000001	\$ 28.47	
4200061223	5200 2424	08/31/20	Clerk of the Board		NOE - LAFCO 3239	\$ 50.00	
4200061224	5200 2424	08/31/20	Clerk of the Board		NOD - LAFCO 3241	\$ 50.00	
4200060730	5200 2445	08/26/20	Payroll		3rd Quarter Tax Filing	\$ 851.40	
4200059769	5200 2310	08/03/20	Mail		Mail Services - DEL	\$ 143.00	
4200059770	5200 2310	08/03/20	Mail		Mail Services - HAN	\$ 161.79	


4200059778	5200	2310	08/03/20	Mail		Mail Services - FLAT	\$ 38.05
TOTAL							\$ 5,593.65
MONTH OF AUGUST 2020 CASH RECEIPTS							
4200060535	4070	9555	08/21/20	City of Upland		LAFCO 3216 Indemnification	\$ 233.40
4101494623	various		08/24/20	Town of Apple Valley		LAFCO 3244	\$ 14,972.00
4101496205	4070	9800	08/25/20	Town of Apple Valley		LAFCO 3244	\$ 800.00
4101494623	4070	9655	08/24/20	City of Loma Linda		LAFCO 3239 GIMS Fees	\$ 975.00
4101494623	4075	9930	08/24/20	Special Districts Risk Mgmt Assoc		SDRMA refund	\$ 157.98
4101494623	4075	9930	08/24/20	Inland Real Estate Group, LLC		LAFCO 3241 Reconsideration	\$ 2,500.00
TOTAL							\$ 19,638.38
MONTH OF AUGUST 2020 INTERNAL TRANSFERRED RECEIVED							
4200059951	4060	8842	08/07/20	County Auditor		Apportionment	\$ 756,998.00
	4075	9595	08/24/20	County Administrative Office		LAFCO 3233 Cost Recovery	\$ 4,839.61
TOTAL							\$761,837.61
COMPLETED BY: MICHAEL TUERPE Senior Analyst				APPROVED BY: SAMUEL MARTINEZ Executive Officer			
Date: 11/5/2020				Date:			

MONTH OF SEPTEMBER 2020 PAYMENTS PROCESSED							
Document Number	Account		Posting Date	Vendor	Invoice	Reference	Amount
1900848050	5200	2085	09/22/20	Daily Journal	B3390858		\$ 708.40
1900848061	5200	2085	09/22/20	Daily Journal	B3390861		\$ 1,231.93
1900836415	5200	2090	09/01/20	Jan Pro	73570		\$ 490.00
1900852886	5200	2090	09/30/20	City Comm	9/28/2020	Air Conditioner	\$ 345.00
1900848943	5200	2180	09/23/20	So Cal Edison	2-39-945-2309		\$ 503.65
1900843306	5200	2305	09/14/20	Shred It	8180422033		\$ 22.04
1900843308	5200	2315	09/14/20	Storetrieve	0137990	7/1/ to 7/31/2020	\$ 64.37
1900843311	5200	2315	09/14/20	Storetrieve	0140029	8/1 to 8/31/20	\$ 64.37
1900851574	5200	2335	09/28/20	Kelly Services	38017552	Temporary Services Wk Ending 09/20	\$ 312.90
1900851590	5200	2335	09/28/20	Kelly Services	37014625	Temporary Services Wk Ending 9/13	\$ 208.60
1900851558	5200	2400	09/28/20	BB&K Invoice 885434 General	885434	General	\$ 402.00
1900851562	5200	2400	09/28/20	Best Best & Krieger	885435	San Antonio Heights	\$ 16.00
1900851564	5200	2400	09/28/20	Best Best & Krieger	885436	San Antonio Heights	\$ 94.00
1900851570	5200	2400	09/28/20	Best Best & Krieger	885437	Employee Benefits	\$ 667.10
1900851572	5200	2400	09/28/20	Best Best & Krieger	885438	Litigation	\$ 154.50
1900848948	5200	2424	09/23/20	Tom Dodson	LAFCO 20-8		\$ 815.00
1900846651	5200	2445	09/18/20	Jum Bagley	9/16/2020	LAFCO meeting stipend	\$ 200.00
1900847280	5200	2445	09/21/20	Kimberly Cox	9/17/2020	LAFCO meeting stipend	\$ 200.00
1900847282	5200	2445	09/21/20	Kimberly Cox	9/18/2020	LAFCO meeting stipend	\$ 200.00
1900847288	5200	2445	09/21/20	Steve Farrell	9/19/2020	LAFCO meeting stipend	\$ 200.00
1900847291	5200	2445	09/21/20	Acquanetta Warren	9/20/2020	LAFCO meeting stipend	\$ 200.00
1900847295	5200	2445	09/21/20	Dieter Dammeier	9/21/2020	LAFCO meeting stipend	\$ 200.00
1900847296	5200	2445	09/21/20	Dawn Rowe	9/22/2020	LAFCO meeting stipend	\$ 200.00
1900847298	5200	2445	09/21/20	Janice Rutherford	9/23/2020	LAFCO meeting stipend	\$ 200.00
1900847299	5200	2445	09/21/20	Larry McCallon	9/24/2020	LAFCO meeting stipend	\$ 200.00
1900852886	5200	2905	09/30/20	City Com	9/28/2020	Lease	\$ 8,464.50
1900852886	5200	2905	09/30/20	City Com	9/28/2020	Amortization	\$ 6,593.40
TOTAL							\$ 22,957.76
MONTH OF SEPTEMBER 2020 INTERNAL TRANSFERS PROCESSED							
4101534457	5200	2031	09/01/20	Information Services		AUG 2020 Payroll System Services (EMACS)	\$ 68.00
4101534031	5200	2033	09/01/20	Information Services		AUG 2020 Network Labor Services	\$ 509.60
4101534031	5200	2033	09/01/20	Information Services		AUG 2020 Network Parts and Material	\$ 496.16
4101534458	5200	2037	09/01/20	Information Services		AUG 2020 Dial Tone	\$ 255.06
4101534034	5200	2322	09/01/20	Information Services		AUG 2020 Enterprise Printing (EMACS)	\$ 7.14
4101534462	5200	2420	09/01/20	Information Services		AUG 2020 Wireless Device (Exchange Active Sync)	\$ 17.59
4101534038	5200	2421	09/01/20	Information Services		AUG 2020 Desktop Support Services	\$ 935.55
4101534460	5241	2410	09/01/20	Information Services		IT Infrastructure - Period 03	\$ 806.00
4101534036	5241	2417	09/01/20	Information Services		Enterprise Content Management - Period 03	\$ 157.00
4101534037	5241	2418	09/01/20	Information Services		Storage - Tier 1 - Period 03	\$ 211.00
4101534037	5241	2418	09/01/20	Information Services		Storage - Tier 3 - Period 03	\$ 192.00
4200062460	5200	2080	09/24/20	County		Supplies	\$ 1,411.61
4200062460	5294	2941	09/24/20	County		Training session	\$ 75.00

4200061430	5200	2310	09/02/20	Mail		Mail Services - DEL	\$ 136.50
4200061431	5200	2310	09/02/20	Mail		Mail Services - FLAT	\$ 19.07
4200061433	5200	2310	09/02/20	Mail		Mail Services - HAN	\$ 670.80
4200061741	5200	2415	09/09/20	Administrative Office		2020/2021 COWCAP-QTR1 (Local Agency Formation	\$ 1,145.22
TOTAL							\$ 7,113.30
MONTH OF SEPTEMBER 2020 CASH RECEIPTS							
TOTAL				NONE			\$ -
MONTH OF SEPTEMBER 2020 INTERNAL TRANSFERRED RECEIVED							
TOTAL				NONE			\$ -
COMPLETED BY:	MICHAEL TUERPE					APPROVED BY: SAMUEL MARTINEZ	
	Senior Analyst					Executive Officer	

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

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DATE: NOVEMBER 10, 2020 
FROM: SAMUEL MARTINEZ, Executive Officer
MICHAEL TUERPE, Senior Analyst
TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: Agenda Item #4: First Quarter Financial Review for Period
July 1 through September 30, 2020

RECOMMENDATION:

Staff recommends that the Commission note receipt of this report and file.

BACKGROUND:

The first quarter of Fiscal Year 2020-21 has concluded and staff is presenting the Commission with its first financial report. This report includes a review of the financial activities and the presentation of a spreadsheet (Attachment #1) showing the line item expenditures and receipts during the period. The summary table below shows that Total Expenditures are on-track with First Quarter makers. For Revenues, Fees and Deposits are slightly below the 25% mark. However, apportionment receipts usually are 100% by this point. This matter is discussed below.

Expenditures		Revenues	
Salaries and Benefits	26% <i>(on par)</i>	Apportionment	68% <i>(does not meet goal)</i>
Services and Supplies	30% <i>(on par)</i>	Fees and Deposits	23% <i>(slightly below goal)</i>
TOTAL	27%	TOTAL	62%

The following narrative provides a discussion of expenditures and reserves, revenues received, an update on special project activities, and a breakdown of the fund balance at the end of the quarter.

Expenditures and Reserves

Expenditures are comprised of two categories of accounts: 1) Salaries and Benefits, and 2) Services and Supplies. Through the first quarter, total expenditures are at 27% of Approved Budget authority. No request is being presented, at this time, by staff for authorization to utilize funds maintained in the Contingency or Reserve accounts. A more detailed analysis of the categories is as follows:

1. Salaries and Benefits (1000 series)

A. First Quarter Activity

The Salaries and Benefits series of accounts (1000 series) had expenditures of \$216,812 through the first quarter, representing 26% of Approved Budget authority – one percent above the 25% mark. The additional one percent is due to the mandatory payouts of accrued leave due to Jeffrey Lum's separation.

B. Anticipated Activity

Two employees separated towards the end of the first quarter. At the September meeting, the Commission:

- Approved the reclassification of Angie Schell from Administrative Secretary to Clerk to the Commission. The Administrative Secretary position remains unfilled, and temporary help is supplementing staffing needs when needed (see Account 2335 – Temporary Services).
- Approved the recruitment for the vacant GIS Analyst position. We anticipate a new employee beginning employment early January.

2. Services and Supplies (2000 and 5000 series)

A. First Quarter Activity

For the first quarter, the Services and Supplies series of accounts (2000 and 5000 series) had expenditures of \$106,706, or 30% of Approved Budget authority. The first quarter includes full-year and one-time payments. Payments that are typical to the first quarter that have taken place include: California Association of LAFCOs (CALAFCO) membership, the CALAFCO Annual conference (registration), the Commission's property and liability insurance, and the annual payment to SBCERA for GASB 68 processing. These one-time and full-year expenditures are generally on target for the fiscal year.

B. Second Quarter Anticipated Expenditures

Anticipated activities for the second quarter include significant expenditures, identified as:

- Full-year payments for the annual financial audit (\$11,668).
- Subscription to the County Street Network (\$10,500) for maintenance of digital mapping.
- Payments for the processing of proposals and countywide public cemetery district service review (legal costs, advertising and mailing) are anticipated.

C. Status of Ongoing Commission-approved Projects and Programs

The following provides an update on expenditures and progress on projects approved by the Commission.

Service Reviews:

At this November meeting, the Commission will consider the *Countywide Service Review for Public Cemetery Districts*. Pursuant to the service review schedule that the Commission approved in September, in December staff will commence the service review for park and recreation services.

Governance Training Program:

Due to the pandemic, the Governance Training Program is on hiatus. The year included one course: LAFCO 101. There are no plans to conduct this course online. When restrictions on gatherings lift, staff will gauge the interest of potential attendees.

Fiscal Indicators Program:

Due to temporary reduction in staffing from five to three, work has not begun on the new round of Fiscal Indicators. When the GIS Analyst position is filled, staff will commence work on the new round.

3. Reserves (6000 series)

No spending activity has been requested by staff or authorized by the Commission to take place in the Reserve accounts during the first quarter.

Revenues

1. Revenues through First-Quarter

The Commission has received 62% of Adopted Budget revenues through the first quarter. The items below outline the revenue activity:

- Interest (Account 8500) – Interest rates have steady increased over the past two years, albeit still providing a minimal cash amount. \$2,767 in interest revenue was earned from the Commission's cash in the County Treasury reflecting the final quarter of Fiscal Year 2019-20 cash. The bulk of LAFCO's revenues are received during the first half of the fiscal year through receipt of its annual apportionment. However, it is anticipated that the annual interest rate will remain low for the balance of the year providing limited resources.
- Apportionment (Account 8842) - 68% of the mandatory apportionment payments from the County, cities, and independent special districts billed by the County Auditor have been received. The County's share is currently being processed, and staff anticipates its receipt during November. Only one special district has not submitted its apportionment share. As for cities, a calculation error was made by the County Auditor in the cities apportionment related to subsidiary districts. The error was a double counting of subsidiary district revenues, which resulted in an incorrect distribution amongst the cities. On November 3, the County Auditor issued the credit/invoice memos to all cities. It is hoped that the County Auditor will receive all the apportionments by the end of November.
- Fees and Deposits (Accounts 9545 – 9800) – Through the first quarter, the Fees and Deposits series of accounts have received 23% of its budgeted revenue (\$27,170). This amount is made up of a combination of application fees, service contract filing fees and legal cost recovery.
- Carryover from Prior Year (Account 9970)

Prior Year Contingency and Reserve funds have been carried forward, \$278,745.

2. Proposal Activity

The table below identifies the number of proposals and service contracts received through the first quarter. The table identifies that one proposal and one service contract were received in the first quarter.

Activity	Budget	Through September	
		No.	% of Budget
Proposals	9	1	11%
Service Contracts - Commission approval	2	1	50%
Service Contracts - Admin (E.O.) approval	2	0	0%

The second quarter anticipates the receipt of two annexations.

Cash in Treasury

As of September 30, the Commission's cash in the County Treasury was \$745,944. A breakdown of this amount is shown below. As shown, the Commission is anticipated to

contribute its Net Pension Liability Reserve amount of \$43,852 to SBCERA in June 2021 to reduce its net pension liability.

September 30, 2020 Balance		\$745,944
Cash Balance is composed of the following:		
<i>Committed (constrained to specific purposes)</i>		
	Net Pension Liability Reserve (Account 6010) <i>June 2021 payment to SBCERA</i>	43,852
	Compensated Absences Reserve (Account 6030)	142,623
<i>Assigned (intended for specific purposes)</i>		
	Contingency (Account 6000)	18,600
	General Reserve (Account 6025)	150,000
<i>Budgeted Remaining Expenditures</i>		866,104
<i>Budgeted Remaining Revenues (shown as negative)</i>		(475,235)

CONCLUSION:

For the first quarter, expenditures are on track, 68% of the apportionment receipts were received, and proposal activity is slightly less than on par for one quarter.

Staff will be happy to answer any questions from the Commission prior to or at the hearing regarding the items presented in this report.

SM/MT

Attachment:

Spreadsheet of First-Quarter Expenditures, Reserves, and Revenues

Attachment #1

Budget Spreadsheets

ACCT. #	ACCOUNT NAME	ACTUAL YEAR-END FY 18-19	PROJECTED YEAR-END FY 19-20	APPROVED FY 20-21	JULY	AUG	SEPT	AMOUNT THRU 1ST Q	% THRU 1ST Q
	SALARIES AND BENEFITS								
1010	Earnable Compensation	\$ 503,704	\$ 485,548	\$ 507,972	\$ 54,538.76	\$ 36,360.71	\$ 42,550.44	\$ 133,450	26%
1030	Auto and Cell Phone Allowances	19,269	9,735	9,485	1,050.00	700.00	700.00	2,450	26%
1035	Overtime						2.97	3	
1045	Termination Payment						1,838.50	1,839	
1110	General Member Retirement	173,050	185,575	183,251	20,109.65	13,125.94	11,545.55	44,781	24%
1130	Survivors Benefits	179	176	183	20.25	13.50	9.45	43	24%
1135	Retirement Subsidy (no longer active)	1,995						-	
1200	Medical Premium Subsidy	53,970	55,906	55,860	6,459.78	4,342.56	3,306.36	14,109	25%
1205	Long-Term Disability	1,068	1,110	1,184	129.66	83.44	65.65	279	24%
1207	Vision Care Insurance	782	779	812	88.80	57.80	40.46	187	23%
1215	Dental Insurance Subsidy	1,230	1,237	1,282	143.16	95.44	66.22	305	24%
1222	Short-Term Disability	4,990	5,636	6,072	667.47	418.64	328.02	1,414	23%
1225	Social Security Medicare	6,277	5,827	6,170	657.15	438.55	533.18	1,629	26%
1235	Workers' Compensation	3,019	1,152	5,266	2,534.32			2,534	48%
1240	Life Insurance & Medical Trust Fund	9,251	9,906	11,853	1,129.62	752.68	701.47	2,584	22%
1305	Medical Reimbursement Plan	3,900	5,496	6,392	450.00	325.92	216.29	992	16%
1310	Annuitant Employee Medical (no longer active)	3,774						-	
1314	457/401a Contribution	2,695	2,929	3,378	331.23	220.82	195.62	748	22%
1315	401k Contribution	35,173	37,051	39,482	4,320.00	2,880.00	2,265.98	9,466	24%
	TOTAL SALARIES & BENEFITS	\$ 824,325	\$ 808,062	\$ 838,641	\$ 92,629.85	\$ 59,816.00	\$ 64,366.16	\$ 216,812	26%
	Staffing (Full time equivalent units)	5.25	5.0	5.0					
	SERVICES AND SUPPLIES								
	General Services & Supplies								
2031	Payroll System Services		\$ 654	\$ 826		\$ 102.00	\$ 68.00	\$ 170	21%
2033	Payroll Systems						1,005.76	1,006	
2035	Communications							-	
2037	COMNET Charge (ISF)	\$ 3,593	3,148	3,434		255.06	255.06	510	15%
2040	Relocation Charges - Phone Service		0					-	
2041	Phone Service/Outside Company	8,644	7,598	8,400	1,417.10	345.38		1,762	21%
2043	Electronic Equipment Maintenance	92	-	-				-	
2075	Membership Dues	10,303	11,822	12,039	10,662.00			10,662	89%
2076	Tuition Reimbursement	-	999	1,000				-	0%
2080	Publications	2,723	3,448	3,343	700.08	35.00	499.38	1,234	37%

Attachment #1

Budget Spreadsheets

ACCT. #	ACCOUNT NAME	ACTUAL YEAR-END FY 18-19	PROJECTED YEAR-END FY 19-20	APPROVED FY 20-21	JULY	AUG	SEPT	AMOUNT THRU 1ST Q	% THRU 1ST Q
2085	Legal Notices	21,188	12,180	11,250	3,212.80	-	1,940.33	5,153	46%
2090	Building Expense	6,466	7,627	7,000	490.00	835.00	835.00	2,160	31%
2115	Computer Software	3,054	2,259	3,054				-	0%
2125	Inventoriable Equipment			-				-	
2130	Moving Expenses							-	
2135	Utilities		2,557					-	
2180	Electricity	3,576	5,817	7,200	399.93	372.39	503.65	1,276	18%
2182	Electricity		-					-	
2195	Reimbursement Services and Supplies							-	
2245	Other Insurance	14,285	12,683	14,238	13,292.13			13,292	93%
2305	General Office Expense	4,918	4,354	1,250	459.35	29.59	934.27	1,423	114%
2308	Credit Card Clearing Account	(1,276)	311	-	(1,301.61)	1,486.61	815.88	1,001	
2309	Visa Temp Card		-					-	
2310	Postage - Direct Charge	7,121	9,201	5,316	400.66	342.84	826.37	1,570	30%
2315	Records Storage	808	1,305	900	64.37	64.37	128.74	257	29%
2316	Surplus Handling		-			7.14	7.14	14	
2323	Reproduction Services	162		-				-	
2335	Temporary Services	699	89	-			521.50	522	
	Consultant & Special Services:								
2400	Legal Counsel	94,182	39,584	30,870	341.10	2,054.00	1,333.60	3,729	12%
2405	Auditing	8,000	14,528	11,668				-	0%
2410	Data Processing	12,851	11,255	8,439		1,612.00	806.00	2,418	29%
2414	Application Development Maint.		-	-				-	
2415	COWCAP	10,109	13,328	7,345			1,145.22	1,145	16%
2416	Enterprise Printing		36	31		314.00	157.00	471	1519%
2418	Enterprise Data Storage		8,459	7,200		806.00	403.00	1,209	17%
2420	Wireless Device Access	300	262	286		17.59	17.59	35	12%
2421	Desktop Support Services	17,417	14,761	15,085		935.55	935.55	1,871	12%
2424	Environmental Consultant	10,605	25,526	10,600	3,990.00	915.00	815.00	5,720	54%
2444	Security Services	480	691	492				-	0%
2445	Other Professional Services	96,029	64,545	34,161	4,710.59	1,251.40	1,800.00	7,762	23%
2449	Outside Legal (Litigation & Special Counsel)	3,216	4,115	-		165.00		165	
2450	Application Development Support	-	-	-				-	
2460	GIMS Charges	13,518	13,500	16,500				-	0%
	Lease/Purchases:								

Attachment #1

Budget Spreadsheets

ACCT. #	ACCOUNT NAME	ACTUAL YEAR-END FY 18-19	PROJECTED YEAR-END FY 19-20	APPROVED FY 20-21	JULY	AUG	SEPT	AMOUNT THRU 1ST Q	% THRU 1ST Q
2895	Rent/Lease Equipment (copier)	5,289	6,004	5,100	533.29	428.47		962	19%
2905	Office/Hearing Chamber Rental	99,052	99,474	101,201	8,448.33	15,057.90	15,057.90	38,564	38%
	Travel Related Expenses:								
2940	Private Mileage	4,952	4,025	4,632				-	0%
2941	Conference/Training	5,231	5,205	4,710	300.00		75.00	375	8%
2942	Hotel	5,886	6,151	7,610				-	0%
2943	Meals	456	724	1,100				-	0%
2944	Car Rental	-	-	-				-	
2945	Air Travel	1,011	1,792	800				-	0%
2946	Other Travel	122	848	300				-	0%
	Other:								
5012	Services Out (Staples)	283	2,619.44	3,600	43.40	223.27		267	7%
TOTAL SERVICES & SUPPLIES		\$ 475,345	\$ 423,483	\$ 350,981	\$ 48,163.52	\$ 27,655.56	\$ 30,886.94	\$ 106,706	30%
TOTAL EXPENDITURES		\$ 1,299,670	\$ 1,231,546	\$ 1,189,622	\$ 140,793.37	\$ 87,471.56	\$ 95,253.10	\$ 323,518	27%
	RESERVES (Increases)								
6000	Contingency (Assigned)								
6010	Net Pension Liability Reserve (Committed)			43,852					
6025	General Reserve (Assigned)								
6030	Compensated Absences Reserve (Committed)			32,477					
6035	Salary Reserve for Extra Pay Period (Committed)								
TOTAL CONTINGENCIES & RESERVES		\$ -	\$ -	\$ 76,329	\$ -	\$ -	\$ -	\$ -	0%
TOTAL APPROPRIATION		\$ 1,299,670	\$ 1,231,546	\$ 1,265,951	\$ 140,793.37	\$ 87,471.56	\$ 95,253.10	\$ 323,518	26%


Attachment #1

Budget Spreadsheets

ACCT #	ACCOUNT NAME	ACTUAL YEAR-END FY 18-19	PROJECTED YEAR-END FY 19-20	APPROVED FY 20-21	JULY	AUG	SEPT	AMOUNT THRU 1ST Q	% THRU 1ST Q
	CONTRIBUTION REVENUES								
	Use of Money:								
8500	Interest	\$ 16,191	\$ 15,823	\$ 19,000	\$ 2,766.69			2,767	15%
	Mandatory Contribution from Governments:								
8842	Apportionment	1,105,497	1,090,497	1,120,497		756,998.00		756,998	68%
	Fees and Deposits (Current Services):								
9545	Individual Notice	8,916	5,429	11,000	1,000.00	1,000.00		2,000	18%
9555	Legal Services	70,067	14,050	19,400	2,050.47	2,233.40		4,284	22%
9595	Protest Hearing	3,000		6,000		4,839.61		4,840	81%
9655	GIMS Fees	825	1,055	765		975.00		975	127%
9660	Environmental	10,619	5,705	10,400	700.00	1,000.00		1,700	16%
9800	LAFCO Fees	69,389	62,895	68,889	1,600.00	11,772.00		13,372	19%
	Total Fees and Deposits	162,816	89,135	116,454	5,350.47	21,820.01	-	27,170	23%
	TOTAL CONTRIBUTION REVENUES	1,284,504	1,195,454	1,255,951	8,117.16	778,818.01	-	786,935	63%
	OTHER REVENUES								
9910	Prior Year Activity (refunds, collections)	\$ (373)						-	
9930	Miscellaneous Revenues	265	580			2,657.98		2,658	
9970	Carryover of Open Proposals/Projects	(50)		10,000	1,122.84			1,123	11%
9970	Carryover from Prior Year, Assigned	50						-	
9973	State-dated Checks	1,000	38					-	
9970	SBCERA Contributions	(184,963)						-	
	TOTAL OTHER REVENUES	(184,071)	618	10,000	1,122.84	2,657.98	-	3,781	38%
	TOTAL REVENUES	\$ 1,100,434	\$ 1,196,072	\$ 1,265,951	\$ 9,240.00	\$ 781,475.99	\$ -	\$ 790,716	62%

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

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DATE: NOVEMBER 11, 2020 
FROM: SAMUEL MARTINEZ, Executive Officer
MICHAEL TUERPE, Senior Analyst
TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: Agenda Item #6: LAFCO 3245 - Countywide Service Review for
Public Cemetery Districts

RECOMMENDATIONS:

Staff recommends that the Commission take the following actions related to LAFCO 3245:

1. For environmental review, certify that the service review is exempt from environmental review and direct the Executive Officer to file the Notice of Exemption within five (5) days.
2. Accept and file the Countywide Service Review for Public Cemetery Districts which sets forth the written statements for the six determinations outlined in Government Code Section 56430 made by the Commission.
3. As outlined in the service review presented to the Commission, take the following actions for specific agencies/entities:
 - a) Direct LAFCO staff to continue to monitor the Barstow Cemetery District and return to the Commission at its May 19, 2021 meeting.
 - b) Direct LAFCO staff to continue to monitor the Twentynine Palms Public Cemetery District and return to the Commission at its May 19, 2021 meeting.
4. Adopt LAFCO Resolution No. 3319 reflecting the Commission's determinations and directions as required by Government Code Section 56430 and Commission policy.

BACKGROUND:

The primary objective of this service review is to provide the Commission with recommendations to: (1) update the determinations from previous service reviews, (2)

initiate sphere of influence updates where appropriate, and (3) monitor specific agencies where appropriate.

The Executive Summary summarizes the content of the review, identifies key facts found during the review's preparation, and lists recommendations for Commission action.

Agency Outreach

LAFCO staff conducted an extensive outreach effort with the agencies addressed in this report, including, but not limited to:

- *Questionnaire and Survey.* LAFCO requested each cemetery district to complete a questionnaire and a confidential online survey.
- *In Person Interviews.* LAFCO staff met individually with staffs from the Barstow Cemetery District and the Twentynine Palms Cemetery District. In addition, interviews were conducted with County Special Districts staff regarding public cemeteries within CSA 29 (Lucerne Valley Memorial Park) and CSA 82 (Searles Valley Cemetery).
- *Working Copy.* Each agency was provided with a working copy of its agency profile for review and input.
- *First Draft.* Each agency and stakeholder was provided with the first draft of the service review for review and comment. No comments were received. (Appendix A to this service review).
- *Notice of the LAFCO hearing.* LAFCO provided the required notice of the Commission hearing to all agencies, stakeholders, and interested parties, which is also noticed on the LAFCO website.
- *Staff report with final draft.* The staff report, outlining recommendations for Commission action, along with the final draft, was provided to all agencies, stakeholders, and interested parties, which is also available on the LAFCO website.

ENVIRONMENTAL CONSIDERATION:

The Commission's Environmental Consultant, Tom Dodson of Tom Dodson and Associates, has indicated his recommendation that LAFCO 3245 is exempt from California Environmental Quality Act (CEQA). This recommendation is based on the finding that the service review is not judged to pose any significant effect to the environment; therefore, the service review is exempt from the requirements of CEQA, as outlined in the State CEQA Guidelines, Section 15061(b)(3). Staff recommends that the Commission adopt the "Common Sense" Exemption for the service review. A copy of Mr. Dodson's analysis is included as Attachment #2 to this report.

ADDITIONAL DETERMINATIONS:

1. As required by State Law, notice of the hearing was provided through publication in newspapers of general circulation within the area, *The Leader* and *The Sun*. Individual notice was not provided as allowed under Government Code Section 56157 as such mailing would include more than 1,000 individual notices. As outlined in State Law and Commission Policy, in-lieu of individual notice the notice of hearing publication was provided through an eighth page legal ad.
2. As required by State law, individual notification of the hearing was provided to affected and interested agencies, County departments, and those agencies and individuals requesting mailed notice.
3. A first draft of the service review document was released to all affected agencies on November 4, 2020.
4. The final draft of the service review was released on November 10, 2020 to all parties as well as the Commission and posted on the LAFCO website.
5. Comments from the public and any affected agency will be reviewed and considered by the Commission in making its determinations.

CONCLUSION:

Staff recommends that the Commission take the actions outlined on page 1 for the Countywide Service Review for Public Cemetery Districts and other actions for continued monitoring.

SM/MT

Attachments:

1. [Countywide Service Review for Public Cemetery Districts](#)
2. [Environmental Recommendation from Tom Dodson](#)
3. [Draft Resolution No. 3319](#)

Countywide Service Review for Public Cemetery Districts

Attachment 1

FINAL DRAFT

Countywide Service Review for: Public Cemetery Districts

LAFCO 3245



LAFCO

for San Bernardino County

Samuel Martinez, Executive Officer

Michael Tuerpe, Senior Analyst

Robert Aldrich, Consultant

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Accepted and Filed _____

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Executive Summary

This service review consists of a countywide service review for public cemetery districts within San Bernardino County. It fulfills the service review requirements identified in the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code §56000 et. seq.).

LAFCO has a state-mandated role to review the ability of an agency to provide a service, if that service is efficient and effective, and if the agency is accountable for community service needs. In order to focus on LAFCO's mandate, this service review forgoes lengthy descriptions and explanations, instead referring to other documents, inserting footnotes, or providing further description in Appendix B.

Approach

The primary objective of this service review is to provide the Commission with recommendations to: (1) update the determinations from previous service reviews, (2) initiate sphere of influence updates where appropriate, and (3) monitor specific agencies where appropriate.

This Executive Summary summarizes the content of the report, identifies key facts found during the report's preparation, and lists recommendations for Commission action. Additionally, staff has identified an opportunity for the agencies and the cemetery community at large to consider – this does not have recommendations for Commission action.

The structure of this Executive Summary is as follows:

1. What Did We Learn?
2. Opportunity for At-Large Consideration
3. Barstow Cemetery District
4. County Service Area 29
5. County Service Area 82
6. Twentynine Palms Public Cemetery District

1. What did we Learn?

The following are items that LAFCO learned during the service review process. The items below are for all the audiences for this report (governing bodies, District staff, LAFCO Commission, and the public).

Cemetery Services - General

- 1-1 If not owned by a city or fraternal or beneficial association or society, public cemeteries are under the jurisdiction and control of the board of supervisors of the county in which they are situated.
- 1-2 Board of Trustees are appointed by the County Board of Supervisors.
- 1-3 The Board of Trustees can consist of either three or five members.
- 1-4 The County Board of Supervisors may appoint itself to the board of trustees and the Board of Supervisors may divest itself of that authority.
- 1-5 At the outset, the county treasurer shall act as the district treasurer, and shall receive no compensation for the receipt and disbursement of money of the district.
- 1-6 Cemetery districts, its board members, and officers, shall not engage in the business of selling monuments or markers. This is an absolute prohibition. However, cemetery districts are permitted to sell items that are necessary or convenient to internments such as burial vaults, liners, flower vases – excluding monuments or makers.
- 1-7 A cemetery district may lease unmarked land to a public agency for recreational use.
- 1-8 A district may convey a cemetery owned by the district to any cemetery authority.
- 1-9 Funds are to remain under the control of the county treasurer if annual revenues are less than \$500,000. Districts with revenues over \$500,000 can appoint their own treasurer and manage their own funds.

Economic/Staffing Challenges

- 1-10 Districts rely primarily upon property tax, special taxes, fees for service, and development mitigation fees, and have little opportunity to increase fees. The most significant financing constraints for services are legal requirements that limit property taxes and require voter approval of new taxes and tax increases. Because agency financial resources are primarily tied to property taxes, districts continue to be greatly affected by the Great Recession. Several agencies are exploring additional revenue sources to sustain service levels.
- 1-11 Throughout California, the rapidly escalating pension obligations are pushing some agencies to the brink of insolvency, forcing them to slash spending for not only safety services but other municipal services as well. To close budget gaps, a proliferation of

revenue measures has been presented to voters throughout California with mixed results. Land use planning has also been impacted as agencies look to promote development that maximizes property tax and/or sales tax revenues.

- 1-12** An agency may appear to be cash solvent, budget solvent, and long-run solvent, yet it may not be service-level solvent. Service level solvency is the ability of an agency to fund the services at levels that its citizens desire. An agency may appear to be financially solvent, but it may not be able to support general activities at an adequate level. An increase in service level or large expense would affect cash, budget, or long-run solvency.
- 1-13** Increasing pension payments as a percentage of general fund spending will affect an agency's ability to fund operations and capital investment of all general fund activities, to include but not limited to fire protection, emergency medical services, law enforcement, park and recreation, streetlighting, roads, social services, etc.... In other words, increasing pension and OPEB payments affect service level solvency.

2. Opportunity for At-Large Consideration

LAFCO encourages the cemetery districts to consider or further the following opportunity:

- 2-1** Tell your own story. Cemetery districts are relatively unknown to the community. It is important for each district to tell their own story so their constituents and other elected officials can better understand how these important services are provided and governing bodies can make more informed decisions.

3. Barstow Cemetery District

- 3-1** LAFCO concludes that the Barstow Cemetery District:
- a. From an organizational perspective, has historically lacked the proper foundations on governance, and the financial resources to adequately fund bookkeeping and the overall operations of a special district. In response to the First Draft, the District identifies that it is currently searching for a financial advisor.
 - b. Experienced frequent changes in personnel, as well as limited financial resources, perpetuating the District's ongoing operational issues.
 - c. Operated without legal counsel until October 2020, exposing the District to unnecessary risk. In response to the First Draft, the District identifies that it has retained legal counsel.
 - d. Is making strides to organize the office records, and there is movement towards digitization of the plot mapping.

- e. Infrastructure is adequate, in light of revenue and operating constraints, and irrespective of the water and well issues. As for the water well issues, in response to the First Draft, the District states that Mojave Water Agency has offered their experience and professional resources to implement a plan for significant water reduction along with grounds beautification.
 - f. As of October 1, 2020, the most recent available audit for the District is for FY 2016/17. Therefore, this service review does not include a complete and accurate financial analysis for the District.
 - g. General Fund is operating on a running deficit.
 - h. The circumstances identified by the 2013/14 Grand Jury have returned.
 - i. Current auditor has made so many ledger and journal entries that it can no longer conduct an independent audit, as its role shifted from independent auditor to bookkeeper.
 - j. Endowment Fund appears to be healthy, with annual increases in the fund balance and relatively minor transfers out.
- 3-2** LAFCO recommends that the Barstow Cemetery District should focus on the implementation of governance and financial policies and practices.
- 3-3** LAFCO determines that continued monitoring take place for the Barstow Cemetery District. The first status report is scheduled for LAFCO's May 19, 2021 meeting.

4. County Service Area 29

- 4-1** This review has no conclusions or recommendations for County Service Area 29.

5. County Service Area 82

- 5-1** For CSA 82, LAFCO concludes that:
- a. Should there be a discontinuance of water or electricity service by Searles Valley Minerals, CSA 82, as the responsible and liable entity for the cemetery, would be responsible for providing a mechanism to assure water and electrical service.
 - b. Should the Searles Valley Cemetery Association cease capability to provide operations and maintenance of the cemetery, then the County Board of Supervisors would assume control of the cemetery operations and management.

- c. CSA 82 has not conducted an inspection of the cemetery or its operations for some time, thereby exposing the County to any material weaknesses or significant deficiencies, should any exist. The County is currently conducting an operational inspection of the Searles Valley Cemetery Association practices and procedures. The County conducted its most recent onsite facility inspection in October 2020.

5-2 LAFCO recommends that:

- a. The County renew the agreement with the Searles Valley Cemetery Association prior to the agreement's termination in August 2022, to include the clause whereby the County indemnifies the Cemetery Association. In response to the working copy of this service review, County Special Districts indicates that it intends to renew the agreement with the Searles Valley Cemetery Association.
- b. The County periodically inspect the cemetery and its operations. In response to the working copy of this service review, County Special Districts identifies that it has placed the cemetery into its quarterly facility routine inspections and that it will generate and file a quarterly formal report.

6. Twentynine Palms Public Cemetery District

6-1 LAFCO concludes that:

- a. The Twentynine Palms Cemetery District suffers from historical governance and operational challenges resulting in lack of continuity, training, and numerous structural deficiencies due to neglect and maintenance backlog.
- b. Since Spring 2020, current District staff have commenced with governance training, general upkeep, correcting structural deficiencies, and health and safety improvements.

6-2 LAFCO determines continued monitoring take place for the Twentynine Palms Public Cemetery District, with the first status report scheduled for LAFCO's May 19, 2021 meeting.

Part I: Introduction

SECTION 1: The Service Review Process

Purpose of Report

The California State Legislature established the Public Cemetery District Law in 1909. It authorized the creation of public cemetery districts to assume ownership and operation of burial grounds, and to provide interment services from fraternal, pioneer, religious, social and other organizations that were unable to maintain those cemeteries.

Cemetery districts give communities the means to publicly finance cemetery operations, and to provide respectful and reasonably priced interment services, particularly in rural or semi-rural areas of the state. Public cemeteries in California are among the earliest and oldest public facilities in the state. They did not exist before the public cemetery district law was enacted in 1909.

Within San Bernardino County, there are two independent public cemetery districts - the Barstow Cemetery District and the Twentynine Palms Cemetery District, each with an independent governing Board of Trustees. In addition, the County is home to two additional dependent cemetery districts - one within County Service Area 82 (Searles Valley) and one within County Service Area 29 (Lucerne Valley). Both are under the jurisdiction and control of the San Bernardino Board of Supervisors.

Report Scope

The service review fulfills the requirements as identified in the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code §56000 et. seq.). In general, service reviews evaluate how agencies currently provide municipal services within their service area and the impacts on those services that may occur over the long-term due to population growth and other issues. While most reports limit an agency evaluation to its current boundary, service reviews take a broader view and explore, where appropriate, a full range of service provision options that are not limited by existing agency boundaries.

Given the countywide scale of this review, this approach provides value to the Commission, the affected agencies, and the public by focusing on those areas and agencies that face significant challenges in the short and long-term.

Report Objective

At a minimum, service reviews require LAFCO to prepare written statements of six determinations:

1. Growth and population projections for the affected area;
2. Location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence;

3. Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies;
4. Financial ability of agencies to provide service;
5. Status of, and opportunities for, shared facilities; and,
6. Accountability for community service needs, including governmental structure and operational efficiencies.

LAFCO may then use this service review as a basis to:

- Initiate a focused service review for an agency or defined area.
- Continue to monitor an agency. Periodic updates will be presented to the Commission until the Commission determines otherwise.
- Initiate agency sphere of influence updates, where warranted, to help address identified service deficiencies. “Sphere of influence” means a plan for the probable physical boundaries and service area of a local agency, as determined by the Commission (§56076). Spheres are designed to both proactively guide and respond to the need for the extension of infrastructure and delivery of municipal services to areas of emerging growth and development. The requirement for LAFCOs to conduct service reviews was established to acknowledge the importance of spheres, and recognize that periodic updates of agency spheres should be conducted with the benefit of current information available through service reviews.

Methodology

San Bernardino LAFCO conducted its initial round of service reviews on a community-by-community basis, consistent with its sphere of influence policies, addressing the full range of public services. In April 2016, in an effort to more efficiently conduct the mandatory service reviews, the Commission modified the scope of all of the second round service reviews to address individual services on a countywide basis. The first round exposed us to the community as a whole and how the organizations operate. The second round is to take a holistic approach to the service, while updating agency reviews from the first round.

Agency Outreach

LAFCO staff conducted an extensive outreach effort with the agencies addressed in this report, including, but not limited to:

- *Questionnaire and Survey.* LAFCO requested each cemetery district to complete a questionnaire and a confidential online survey.
- *In Person Interviews.* LAFCO staff met individually with staffs from the Barstow Cemetery District and the Twentynine Palms Cemetery District. In addition, interviews

were conducted with County Special Districts staff regarding public cemeteries within CSA 29 (Lucerne Valley Memorial Park) and CSA 82 (Searles Valley Cemetery).

- *Working Copy.* Each agency was provided with a working copy of its agency profile for review and input.
- *First Draft.* Each agency and stakeholder was provided with the first draft of the service review for review and comment. No comments were received. (Appendix A to this service review).
- *Notice of the LAFCO hearing.* LAFCO provided the required notice of the Commission hearing to all agencies, stakeholders, and interested parties, which is also noticed on the LAFCO website.
- *Staff report with final draft.* The staff report, outlining recommendations for Commission action, along with the final draft, was provided to all agencies, stakeholders, and interested parties, which is also available on the LAFCO website.

Sources:

This service review relies upon all the cemetery districts in the county, a review of plans and studies of the said agencies and associations within the county, and a review of the literature. LAFCO staff also utilized the use of GIS mapping and aerial imagery to identify population growth areas and disadvantaged communities. LAFCO conducted interviews in the field with specific agencies.

Report Organization

Part I – Introduction

- **Section 1** – The Service Review Process
- **Section 2** – What is a Public Cemetery District?

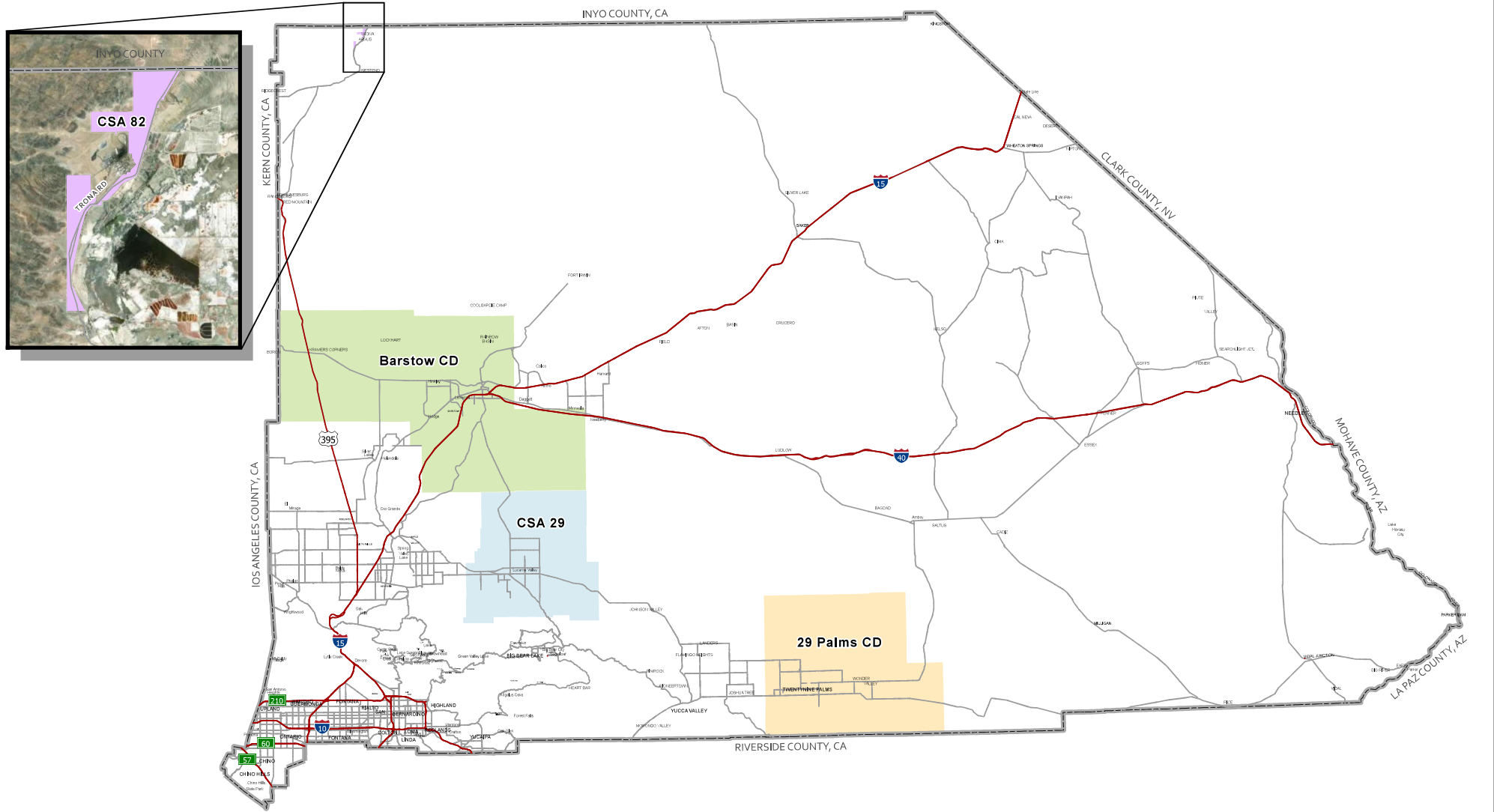
Part II – District Service Reviews

Appendix A – Comments to the First Draft with LAFCO Staff Responses

Appendix B – Acronyms and Definitions

Appendix C – Primers

The map on the next page displays the four cemetery districts within the county.



San Bernardino County Cemetery Service Providers Overview



Disclaimer: The information shown is intended to be used for general display only and is not to be used as an official map.

0 10 20 40 Miles



- Barstow Cemetery District
- County Service Area 29
- County Service Area 82
- Twentynine Palms Cemetery District

Author: Jeffrey Lum | Map Created: 8/11/2020

Part I: Introduction

SECTION 2: What is a Public Cemetery District?

Cemetery districts are 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 and fees for services (i.e. the sale of burial plots, charges for openings, and setting of markers).

Public cemeteries are among the earliest and oldest public facilities in the state and were in existence prior to the enactment of the first public cemetery district law in 1909. Public cemetery districts are organized and have powers pursuant to Division 8 of the California Health and Safety Code relating to cemeteries and specifically pursuant to the Public Cemetery District Law (Health and Safety Code §9000 et seq.). This law was revised in its entirety and re-codified effective January 1, 2004.

Public cemetery districts are special districts that are legally separate from any other unit of local government. A governing body composed of three or five members is solely responsible for all aspects of district operations. Trustees, who must be registered voters within the district, are appointed by county board of supervisors to fixed, four-year terms of office. Alternatively, a board of supervisors can appoint itself as the board of trustees. Today, there are 253 public cemetery districts in California, including four districts in San Bernardino County (two independent and two dependent). Cemetery districts rank fourth in the total number of special districts in California, behind water districts, fire districts and community services districts.

Benefits to Residents Residing within a Cemetery District

The key benefit for residents residing in a public cemetery district is access to low-cost burial and, if available, cremation services. 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, grandparents, children and siblings. The law mandates that districts have local policies and fees for non-residents.

Fiscal Challenges Facing Public Cemetery Districts

Unlike most special districts, cemetery districts do not hold monopoly service authority. Private cemeteries, both religious and secular, can and do compete with public cemeteries particularly in more urbanized areas. Therefore, existing cemetery districts face market pressures usually not associated with the delivery of most other government services. As a result, the formation of new public cemetery districts has been uncommon in California.

Relationship between Counties and Public Cemetery Districts

From a governance and financial perspective, public cemetery districts have a unique relationship with counties. For example:

- Board trustees of cemetery districts are appointed by a county board of supervisors to fixed, four-year terms of office. Alternatively, a board of supervisors can appoint itself to be the board of trustees.
- For those cemetery districts with annual revenues of \$500,000 or less, the county treasurer serves as the district treasurer and receives no compensation for the receipt and disbursement of money of the district. (If a district has total annual revenues of \$500,000 or greater, the district may withdraw its funds from control of the county treasurer, appoint its own district treasurer, and manage its own funds.)
- A board of supervisors, at the request of the district board of trustees, may increase or decrease the number of members of the board of trustees.
- A cemetery district may request the purchasing agent of the county to make purchases of materials, equipment, or supplies on its behalf or may request the purchasing agent of the county to contract with persons to provide authorized projects, services, and programs.
- Existing law allows special districts to get cash advances from the county treasurer to pay authorized expenses. Government Code §53961 allows cemetery districts to have larger revolving funds with the county treasurer (up to 110 percent of one-twelfth of the district's adopted budget for that fiscal year) than most special districts.

PART II: District Profiles and Reviews

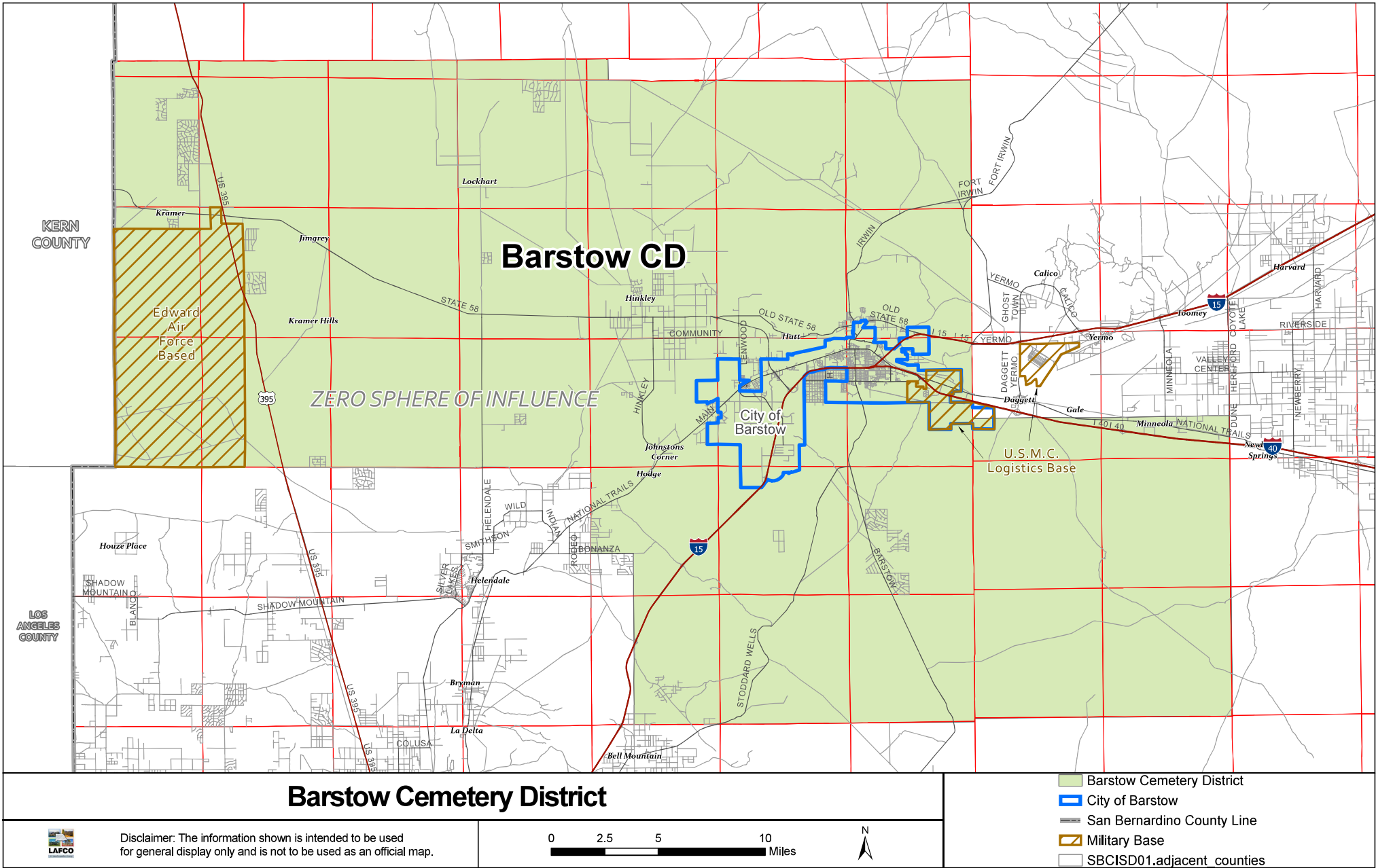
Section 1: Barstow Cemetery District

Section 2: County Service Area 29

Section 3: County Service Area 82

Section 4: Twentynine Palms Public Cemetery District

FINAL DRAFT



1. LAFCO Conclusion and Recommendation

LAFCO concludes that the Barstow Cemetery District:

- *From an organizational perspective, has historically lacked the proper foundations on governance, and the financial resources to adequately fund bookkeeping and the overall operations of a special district. In response to the First Draft, the District identifies that it is currently searching for a financial advisor.*
- *Experienced frequent changes in personnel, as well as limited financial resources, perpetuating the District's ongoing operational issues.*
- *Operated without legal counsel until October 2020, exposing the District to unnecessary risk. In response to the First Draft, the District identifies that it has retained legal counsel.*
- *Is making strides to organize the office records, and there is movement towards digitization of the plot mapping.*
- *Infrastructure is adequate, in light of revenue and operating constraints, and irrespective of the water and well issues. As for the water well issues, in response to the First Draft, the District states that Mojave Water Agency has offered their experience and professional resources to implement a plan for significant water reduction along with grounds beautification.*
- *As of October 1, 2020, the most recent available audit for the District is for FY 2016/17. Therefore, this service review does not include a complete and accurate financial analysis for the District.*
- *General Fund is operating on a running deficit.*
- *The circumstances identified by the 2013/14 Grand Jury have returned.*
- *Current auditor has made so many ledger and journal entries that it can no longer conduct an independent audit, as its role shifted from independent auditor to bookkeeper.*
- *Endowment Fund appears to be healthy, with annual increases in the fund balance and relatively minor transfers out.*

LAFCO recommends that:

- *The Barstow Cemetery District should focus on the implementation of governance and financial policies and practices.*
- *Continued monitoring take place for the Barstow Cemetery District. The first status report is scheduled for LAFCO's May 19, 2021 meeting.*

2. Overview and Brief History

The Barstow Cemetery District is an independent special district formed in 1947 following approval by the County of San Bernardino Board of Supervisors and the electorate. The District's boundaries have not changed since its formation and comprise approximately 1,111 square miles. The District's service area includes the City of Barstow and territory southwest of Fort Irwin; east of Daggett and Yermo communities; north of the Victor Valley communities of Apple Valley, Helendale and Victorville; and east of the Kern County line. The District's governing board consists of five trustees appointed at-large to four-year staggered terms.

Currently, the Barstow Cemetery District manages one cemetery - Mountain View Memorial Park - located at 37067 Irwin Road, Barstow. Mountain View Memorial Park started as a "for profit" cemetery in the 1930s and, as referenced above, transitioned to a public cemetery managed and operated by an independent special district in 1947. According to the Memorial Park's website, there are approximately 8,900 interments in this cemetery.

3. Boundary and Sphere of Influence Review

This review identifies no boundary or sphere of influence matters for the Barstow Cemetery District.

4. Previous Service Review and Other Reports

A. 2008 Service Review

LAFCO conducted the first service review for the Barstow Cemetery District in 2008. At that time, LAFCO staff raised concerns regarding the District's fiscal health, lack of a master plan, and non-compliance with providing annual audits and budgets to the State Controller and County Auditor. Based on the determinations in the 2008 service review, LAFCO designated a zero sphere of influence for the District and stated its position that either the County of San Bernardino or the City of Barstow succeed to the cemetery's operations. The Commission also referred the matter to the County Auditor for further investigation of the District's financial matters with notification to the Grand Jury.¹

B. San Bernardino County Grand Jury

The 2009/10 San Bernardino County Grand Jury reviewed the District's operations, expenditures, and bookkeeping methods utilized by the District. The 2009/10 Grand Jury Report issued findings and assigned recommendations to improve the District's operations to LAFCO, County Special Districts Department, County Auditor, and the

¹ http://www.sbcounty.gov/uploads/lafco/proposals/servicereviews/barstow/Reso_3039_LAFCO_3034.pdf

District.² As required by law, each agency provided a response to the Grand Jury's recommendations.³ Over the next year, the following actions occurred:

- Representatives from LAFCO and County Special Districts Department attended the District's November 10, 2010 meeting to discuss the findings and recommendations from the Grand Jury Report.
- Following the November 10, 2010 District meeting, County Auditor and LAFCO staffs assisted District staff in an effort to address deficiencies in its operations.

The 2013/14 Grand Jury reviewed the 2009/10 recommendations to determine the District's compliance.⁴ The 2013/14 report conclusion states that the District's operation has improved since the 2009/10 Grand Jury review. However, two recommendations were outstanding:

- (1) The Barstow Cemetery needs to again look into the possibility of drilling its own well for water.

The District offered the following response to the 2013/14 Grand Jury:

"The District received a grant from former First District Supervisor Brad Mitzelfelt in the amount of \$31,000.00 for this project and construction of the new well was started in May 2013. According to the [former] General Manager, the electrical wiring should be installed within the next two months and the new well will be up and running."

On LAFCO's September 25, 2020 site visit, District staff impressed that the well has not worked since the time of their employment, roughly 2017. The use of the \$31,000 grant is unclear to District staff.

- (2) The Barstow Cemetery needs to contact the California Association of Special Districts and consider joining so they can obtain health insurance and workers compensation at a considerable savings.

5. Growth and Population Projections

The District's population is primarily concentrated in the Barstow area. Outside of Barstow, the population is relatively sparse. As shown in Figures 1-1 and 1-2 below, the population estimates for 2012 and 2040 do not identify any significant growth areas.

² <https://wp.sbcounty.gov/grandjury/wp-content/uploads/sites/15/2019/10/2009-10-Grand-Jury-Final-Report.pdf> (beginning on page 51)

³ <https://wp.sbcounty.gov/grandjury/wp-content/uploads/sites/15/2017/10/responses0910.pdf> [PDF pages 6-7 (County Special Districts Department), 9 (County Auditor), 20-21 (LAFCO), 28-29 (Barstow Cemetery District)]

⁴ <https://wp.sbcounty.gov/grandjury/wp-content/uploads/sites/15/2017/10/2013-14-Final-Report.pdf> (beginning on page 31)

Figure 1-1: 2012 Population

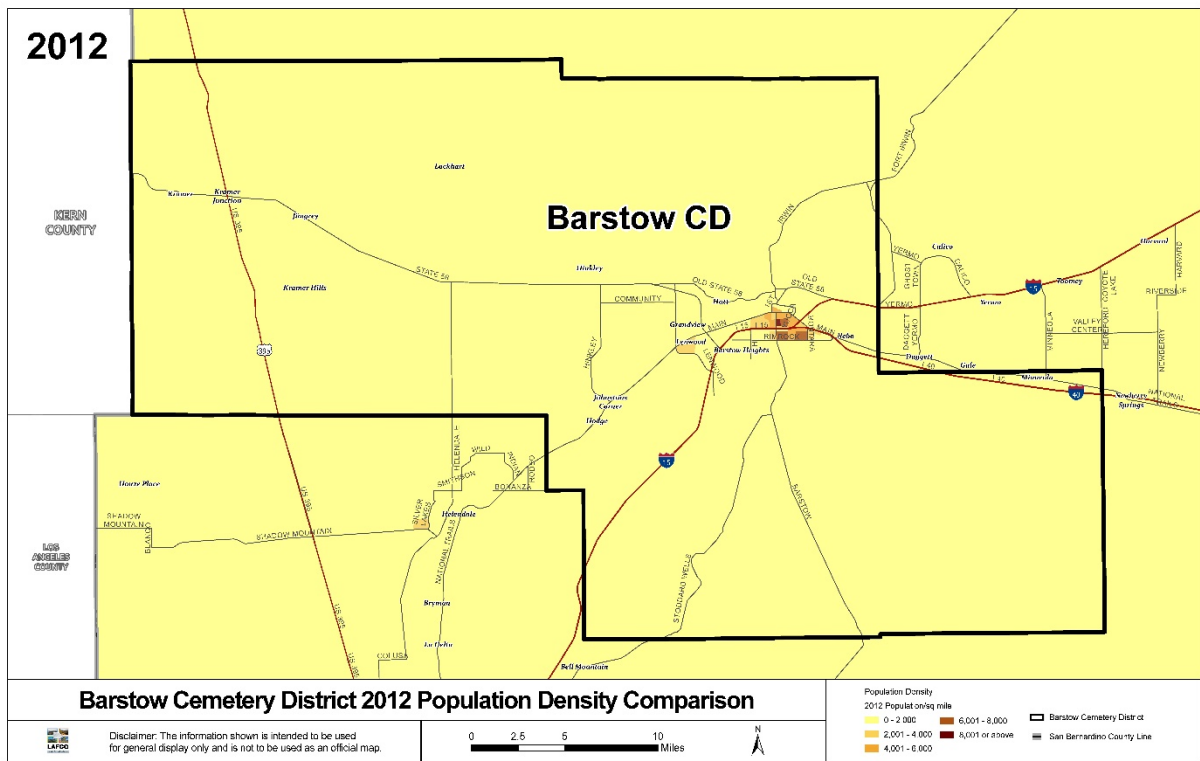
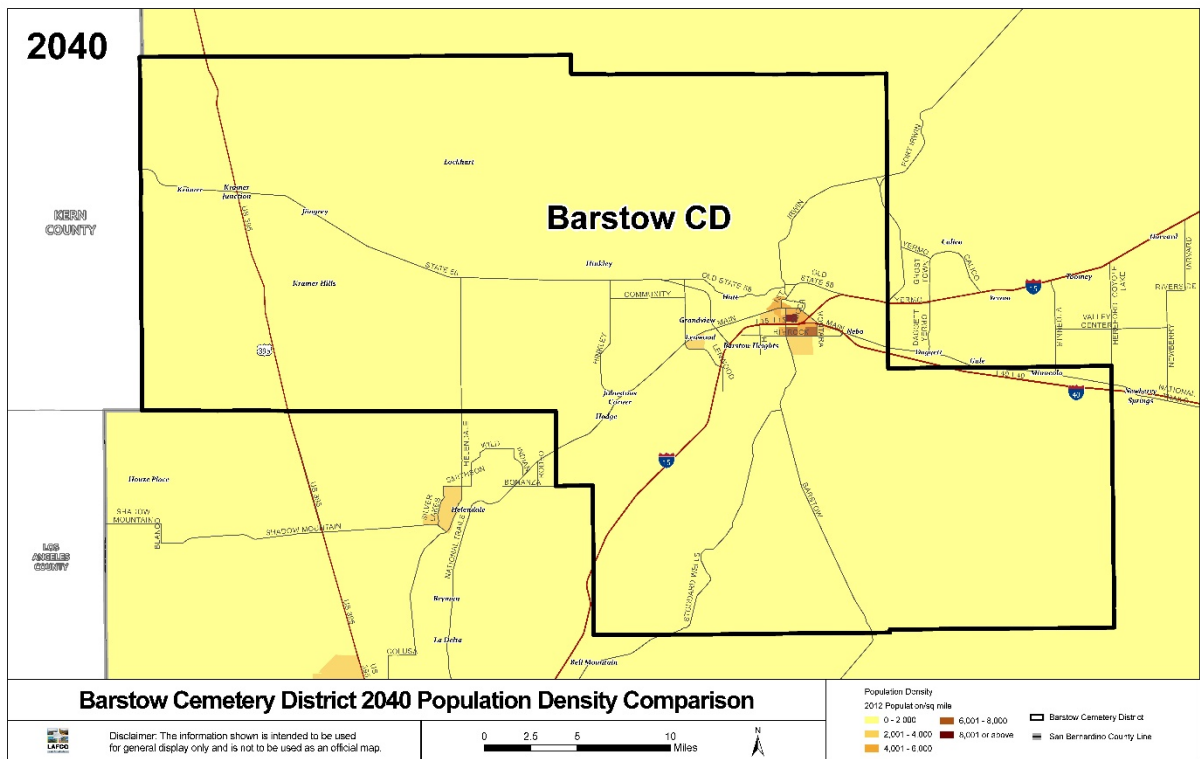


Figure 1-2: 2040 Population



6. Disadvantaged Communities, Location and Characteristics

State law requires various entities (i.e. LAFCO, cities and counties, and water agencies) to, in some manner, identify disadvantaged communities, which can be located in both incorporated and unincorporated areas. More information on the laws and requirements regarding Disadvantaged Communities is available in [Appendix C: Primers](#) to this report.

The figure below identifies the location of the disadvantaged communities with the District overlay in blue outline. For this region, LAFCO uses a density factor of 1,500 people or more per square mile.

**Figure 1-3:
Disadvantaged Communities with Population Density**

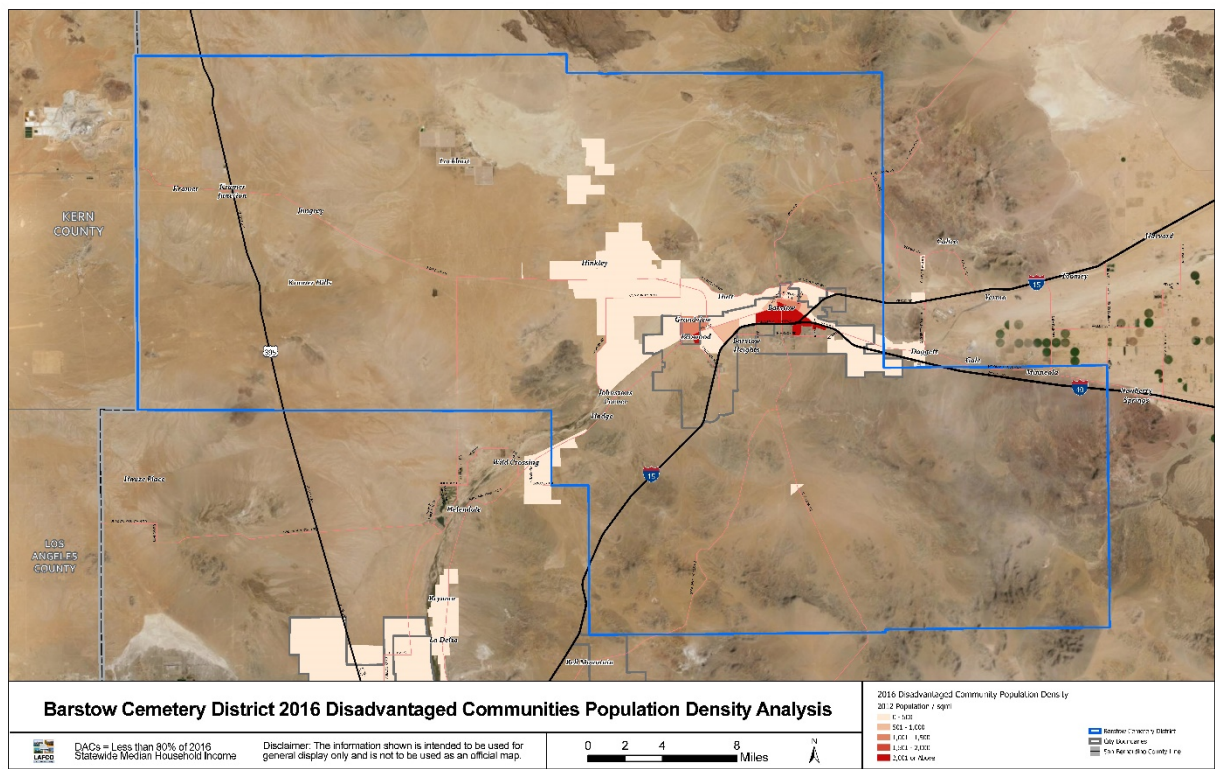


Table 1-1:
Characteristics of Disadvantaged Areas within Barstow CD

Population	11,853	Median Household Income	\$38,529
Households	4,249	Per Capita Income	\$19,162
Median Age	30.7	Unemployment Rate	19.8%

Source: ESRI, August 2020

7. Facilities and Services

The District completed a LAFCO questionnaire regarding governance and operations. The District's response is included at the rear of this agency's profile.

A. Present and Planned Capacity of Public Facilities

The District owns three parcels (one is vacant) comprising 22 acres. Two parcels contain the memorial park on 17 acres, and the vacant parcel comprises five acres. The site address of the memorial park—operated in the name of Mountain View Memorial Park—is 37067 Irwin Road, which is approximately one mile outside the City of Barstow corporate limits but within its sphere of influence.

According to the District, there are roughly 100 internments a year, with roughly 8,900 internments to date and 13 acres that are unmarked.

B. Adequacy of Public Services

The District board hired the current general manager in August 2016. She inherited an organization that lacked the proper foundations on governance, and the financial resources to adequately fund bookkeeping and the overall operations of a special district.

Frequent changes in personnel, as well as limited financial resources, have perpetuated the District's ongoing operational issues. Records, both internment and financial, have been subject to the methodology of the staff at that time, only for new records to have a different filing methodology. During LAFCO's site visit, the general manager explained and showed the disparate record keeping methods of previous administrations. The current general manager further explained and showed how she has reorganized the on-site internment records into a comprehensive methodology.

However, the available technology is not sufficient to conduct an efficient business. Hand-written plot maps remain in vellum/Mylar paper form at the District office with additional plot information housed in a DOS-based computer program. The District attempted to move towards a more comprehensive digital solution by contracting with a firm from Ohio to upgrade the District's existing BSM (Burial Space Manager) system into a modern product that incorporates plot information with plot mapping. LAFCO staff understands that this project has never been completed and it is unclear to District staff why the contractor has not delivered the program. Nonetheless, some type of conversion to a more user-friendly system would move toward an improvement in public service.

According to the District, it does not use legal counsel for its operations. However, for litigation matters, the District either hires legal counsel or has been covered by its insurance company. LAFCO's position is that operating without legal counsel exposes the District to unnecessary risk, which could lead to the need to have legal

counsel for representation. Since the August 2016 hiring of the current general manager, she estimates that there have been at least six litigation matters regarding prior employee errors regarding plots. In response to the First Draft, the District identifies that it has retained legal counsel beginning October 2020.

In sum, the historical level of service in light of revenue and operating constraints is not adequate. Strides have been made to organize the office records, and there have been efforts to digitize plot mapping. The availability of resources (fiscal, adopted service or work plans) are not present to provide adequate service.

Considering the income levels of existing households and the need for the public cemetery, efforts should focus on governance and training to build a proper foundation for future success.

C. Infrastructure Needs and Deficiencies

As noted previously by LAFCO in 2008 and the Grand Jury in 2009/10 and 2013/14, the District irrigates with domestic water and not from a well. The District identified that of its four wells, three do not work, and one is almost dry and will need to undergo well deepening. Domestic water from the Golden State Water Company is costlier than pumping untreated water from a well. The District pays the Water Company on average \$10,000 to \$20,000 per month, depending on the season. The District struggles to pay for its water consumption, and as of this writing, the District owes the Water Company roughly \$80,000.

As identified as far back as 2008 service review, the District should repair its wells and/or convert to xeriscape landscaping. The District discussed the possibility with Golden State Water Company of extending a line from the Water Company's water source to the cemetery, and it was deemed not feasible. The District then turned to the Mojave Water Agency ("MWA") to seek assistance on a solution. As of this writing, MWA is partnering with the Mojave Desert Resource Conservation District to assist the District in the possible xeriscape conversion.

Unfortunately, as discussed in the financial review portion below, the General Fund is operating on a running deficit. Any major capital improvements, to include xeriscaping, would mostly need to come from a source other than the District. In response to the First Draft, the District states that Mojave Water Agency has offered their experience and professional resources to implement a plan for significant water reduction along with grounds beautification.

Irrespective of the well and water issues, the condition of infrastructure in light of revenue and operating constraints is adequate.

8. **Financial Ability to Provide Services**

To make the required service review determination of an agency's financial ability to provide services, LAFCO referenced the agency's own financial documents (audits, budgets). Additionally, LAFCO's Fiscal Indicators Program shows fiscal trends for an

agency and allows for an agency comment.⁵⁵ The information below incorporates all of the information and sources identified above.

As of October 1, 2020, the most recent available audit for the District is for FY 2016/17. Therefore, this service review does not include a complete and accurate financial analysis for the District. The District has provided bookkeeper statements for FY 2017/18 and 2018/19.

A. Overview

Revenues are comprised of service fees, the District's share of the general property tax levy, and interest. The vast majority of the revenues are derived from service fees. The District utilizes the County for payroll and a local bank for paying invoices.

The 2009/10 Grand Jury recommended that the District hire a bookkeeper, keep monthly financial statements and prepare an annual budget. Whereas the 2013/14 Grand Jury stated that this recommendation was accomplished, the circumstances returned. During LAFCO's site visit on September 25, 2020, District staff stated that its current auditor had made so many ledger and journal entries that it could no longer conduct an independent audit, as its role shifted from independent auditor to bookkeeper. Therefore, the District should focus on the implementation of appropriate financial practices. In response to the First Draft, the District identifies that it is currently searching for a financial advisor.

B. Funds

The most recent audit for the District is for FY 2016/17. This portion of the report provides a comparative analysis for the six most-recent audits with a five-year variance is below (FY 2011/12 through FY 2016/17).

General Fund

The fund labeled "General" is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

A trend of operating gains or deficits is a key indicator of the financial health of an agency. Table 1-2 shows the General Fund balance for the period of FY 2011/12 through FY 2016/17. The fund balance has decreased by 86% within five years with Total Revenues decreasing by 13% and Total Expenditures increasing by 2%. Expenditures generally exceed revenues, resulting in an annual decline in fund balance. The General Fund balance decline of 86% from \$527,365 to \$75,741 is of serious concern. During this period, annual expenditures varied slightly with some revenue fluctuation. This means that historically, revenues have not been adequate to support operations. For example, the District historically has not had adequate funds to cover payroll at the beginning of the

⁵⁵ <http://sbclafco.org/FiscalIndicators/IndependentDistricts/TwentyNinePalmsCemeteryDistrict.aspx>

fiscal year. In turn, the County has fronted the payroll disbursement with the credited amount deducted from the District's proceeds of property taxes.

For the year ended June 30, 2017, the District reported an ending fund balance of \$75,741, a decrease of \$129,343 from the prior year. The Management Discussion and Analysis section of the audit states that, "This decrease was due to an increase due in overall expenses." At this time, any unexpected expenses could further challenge the General Fund, prompt service reduction, fee increases, or cause the General Fund to enter into negative territory and result in a running deficit. In short, the District lacks the availability of reasonable emergency reserves.

**Table 1-2:
General Fund Balance - Audits**

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	5 yr Var
REVENUES							
Charges for services	239,050	141,145	267,495	276,235	207,845	158,267	-34%
Property taxes	111,003	149,918	126,626	125,787	129,888	143,541	29%
Other	2,816	1,116	468	268	5,810	5,852	108%
Total Revenue	\$ 352,869	\$ 292,179	\$ 394,589	\$ 402,290	\$ 343,543	\$ 307,660	-13%
EXPENDITURES							
Salaries & Benefits	230,632	292,123	269,514	239,694	195,476	232,590	1%
Services & Supplies	191,517	192,426	186,237	181,335	117,071	199,426	4%
Total Expenditures	\$ 422,149	\$ 484,549	\$ 455,751	\$ 421,029	\$ 312,547	\$ 432,016	2%
Revenues less Expend.	(69,280)	(192,370)	(61,162)	(18,739)	30,996	(124,356)	
OTHER FINANCING							
Transfers In/Adjustments	48,891	3,340	(20,696)	5,999	5,565	11,443	
Trust Fund Adjust					(75,214)	(16,430)	
Fund Balance Begin	547,754	527,365	338,335	256,477	243,737	205,084	-63%
Fund Balance End	\$ 527,365	\$ 338,335	\$ 256,477	\$ 243,737	\$ 205,084	\$ 75,741	-86%

The District provided LAFCO with bookkeeper statements for FY 2017/18. The chart below summarizes the information. Note that this information has not been independently verified. As shown, the District experienced lower revenues and expenditures in comparison with previous years. Still, the year ended with a deficit of roughly \$51,000 – further decreasing fund balance.

**Table 1-3:
General Fund Profit & Loss – FY 2017/18**

Gross Profit	\$297,028
Total Expense	349,183
Other Income	1,473
Net Income	\$(50,682)

The bookkeeper statements also identify that the General Fund owes substantial amounts to the Endowment Care Fund and Pre-Need Trust Fund. This reveals that the General Fund is operating on a running deficit. During the LAFCO site visit, District staff stated a prior administration paid the groundskeeper salaries from Pre-Need for at least one year. In turn, the General Fund owes the Pre-Need Fund for those expenses. Moreover, in the table below, the amount the General Fund owes the Endowment Fund and Pre-need Trust essentially double in one year.

**Table 1-4:
General Fund Due To**

	June 30, 2018		June 30, 2019	
	Due To:		Due To:	
	Endowment Care Fund	Pre-Need Trust	Endowment Care Fund	Pre-Need Trust
Due from General Fund	\$13,078	\$103,606	\$21,551	\$218,559

General Fund Liquidity

The Government Finance Officers Association (“GFOA”) currently recommends that regardless of size, general-purpose governments should maintain unreserved fund balance in their General Fund of “no less than two months of regular general fund operating revenues or expenditures.” A General Fund balance of a lesser level exposes the General Fund to the risk of not being able to meet cash flow requirements, economic uncertainties, or other financial hardships. As shown on the chart below, the District’s unreserved fund balance has exceeded the general rule of more than two months of regular General Fund operating expenditures.

By this measure alone, it would seem that the liquidity of the District is adequate. However, when considering the Total General Fund balance (unreserved plus reserved), the liquid health of the District is of concern. As shown in Figure 4-3 below, total General Fund balance has decreased from \$527,365 to \$75,741.

**Table 1-5:
General Fund Liquidity**

General Fund (GF)	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Total GF expenditures	\$ 422,149	\$ 484,549	\$ 455,751	\$ 421,029	\$ 312,547	\$ 432,016
Unreserved GF fund balance	40,540	56,207	44,795	133,661	205,084	75,741
(as a % of total expenditures)	10%	12%	10%	32%	66%	18%
Total fund GF balance	\$ 527,365	\$ 338,335	\$ 256,477	\$ 243,737	\$ 205,084	\$ 75,741
(as a % of total expenditures)	125%	70%	56%	58%	66%	18%

sources: Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance

Endowment Fund

The District maintains an Endowment Fund to account for the portion of the monies paid for every interned person to be held as a perpetual endowment. Pursuant to State law, the board of trustees may not spend the principal of the Endowment Fund. However, the principal can be invested in securities and obligations, and the interest and gains may be spent from the investments (§9065(e)). Note that in FY 2015/16, the District made a one-time transfer from the Endowment Fund to the General Fund. The purpose of the transfer was related to capital improvements. The figure below shows the fund balance of the Endowment Care fund for the same period.

The Endowment Funds appears to be healthy, with annual increases in the fund balance and relatively minor transfers out. However, it appears that the gains from interest are low for an endowment nearing \$800,000. Recognizing the low returns, the District transferred a significant portion of its Endowment Funds from Wells Fargo to the Cooperative Funeral Fund.

**Table 1-6:
Endowment Fund**

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	5 yr Var
REVENUES							
Charges for services	13,239	24,351	24,930	32,039	22,889	27,016	104%
Interest & investment	3,736	2,332	8,791	10,860	20,747	1,506	-60%
Total Revenue	\$ 16,975	\$ 26,683	\$ 33,721	\$ 42,899	\$ 43,636	\$ 28,522	68%
EXPENDITURES	\$ -	\$ -	\$ 10	\$ -	\$ -	\$ -	
Total Expenditures	\$ -	\$ -	\$ 10	\$ -	\$ -	\$ -	
Revenues less Expend.	16,975	26,683	33,711	42,899	43,636	28,522	68%
OTHER FINANCING							
Other	29,787	(10,443)	7,036				
Transfers In (Out)	-	-	15,550	(6,000)	(5,565)	(11,443)	
Fund Balance Begin	581,333	628,095	644,335	700,632	737,531	775,602	33%
Fund Balance End	\$ 628,095	\$ 644,335	\$ 700,632	\$ 737,531	\$ 775,602	\$ 792,681	26%
*Endowment Principal	\$623,067	\$643,334	\$695,022	\$727,085	\$775,602	\$792,682	27%
sources: Statement of Revenues, Expenditures, and Fund Balances and Balance Sheets							

Pre-Need Burial Fund (fiduciary fund)

Fiduciary funds are used to account for assets held by the District as an agent or trustee for individuals, private organizations, other governments and/or other funds. The Pre-Need Burial Fund is a private-purpose trust fund that transfers funds from its earnings to the General Fund to finance burial expenditures.

The financial statements before FY 2015/16 do not provide separate accounting of the Pre-Need Fund. Therefore, a proper analysis of the Pre-Need Fund cannot be conducted.

**Table 1-7:
Pre-Need Fund**

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	5 yr Var
NET ASSETS							
Unrestricted							
Restricted					45,563	133,627	#DIV/0!
Total net assets	\$ -	\$ -	\$ -	\$ -	\$ 45,563	\$ 133,627	#DIV/0!
source: Statement of Fiduciary Net Position							

C. Capital Outlay

LAFCO staff did not notice any significant structural deficiencies during its site visit on September 25, 2020. The District does not have a master plan or capital improvement plan.

D. Pension Liability and Contributions

CalPERS administers the District's retirement plan. However, the required GASB 68 and related information are not included in the FY 2015/16 and FY 2016/17 audits. Therefore, the financial statements, which the governing body and management are responsible for, lack transparency by not including the required pension information. Instead, this service review sought information from the parent source, CalPERS. For general information on pension liabilities and contributions, please refer to Appendix C of this service review.

Liability

The CalPERS July 2020 valuation report identifies that the District had a Net Pension Liability as of June 30, 2019, with a funded ratio of 76.6%

Contributions

As shown in the table below, pension contributions dropped precipitously in 2018-19. That year the general manager was on injury leave (workers compensation) which resulted in a number of the mandatory retirement contributions not made. The agreement with CalPERS allows the District to make additional, incremental, contributions to be whole with its requirements.⁶

⁶ <https://www.calpers.ca.gov/page/employers/actuarial-resources/public-agency-actuarial-valuation-reports>

**Table 1-8:
CalPERS Historical Contributions**

Plan Type	Contribution	2017-18	2018-19	2019-20	2020-21
Miscellaneous	Normal Cost %	7.9%	8.3%	8.7%	9.4%
Plan	UAL Payment	\$ 40,505	\$ 7,569	\$ 33,860	\$ 35,026
PEPRA	Normal Cost %			7.1%	7.9%
Plan	UAL Payment			\$ 400	\$ 705

Source: CalPERS Actuarial Reports, July 2020

The following table provides a breakdown of required retirement contributions for the District over the next six fiscal years. The agency includes more than one retirement plan, depending on date of hire or job classification, shown as PEPRA. It is unclear as to why CalPERS identifies low contribution rates beginning in 2024-25 for the Miscellaneous Plan.

**Table 1-9:
CalPERS Projected Contributions**

Plan Type	Contribution	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
Miscellaneous	Normal Cost %	9.3%	9.3%	9.3%	9.3%	9.3%	9.3%
Plan	UAL Payment	\$ 36,869	\$ 38,000	\$ 40,000	\$ 3,300	\$ 3,500	\$ 3,500
PEPRA	Normal Cost %	7.7%	7.7%	7.7%	7.7%	7.7%	7.7%
Plan	UAL Payment	\$ 236	\$ -	\$ -	\$ -	\$ -	\$ -

Source: CalPERS Actuarial Reports, July 2020

9. Shared Facilities

A. Status of Shared Facilities

The District identified that it does not share facilities with other agencies.

B. Opportunities for Shared Facilities

An opportunity may exist for the District to lease its non-dedicated land to other public agencies. Section 9054 permits a district to use or lease land acquired for future cemetery use to a public agency for recreational use. The District identifies that there are unused areas at this time.

10. Accountability

A. Board Members

Records show that community interest in board membership historically has been low. An option afforded in Public Cemetery District law is for the board to request

through resolution that the County Board of Supervisors reduce board membership from five members to three members (§9020, §9025). In the LAFCO staff's view, limiting membership to three members for such a large geographical area would not promote any oversight efficiencies; a full membership of five members should be sought by the District and the County Board of Supervisors to promote adequate oversight of District affairs and community participation in an important service.

Alternatively, the County Board of Supervisors may appoint itself to be the board of trustees (§9026). Such an action would not require LAFCO approval as it would not be a change of organization, rather the District remains, but the governing body would be different.

B. Internment Records

Currently, the District lacks a digital archive of its marked sites. The District has contracted with a firm from Ohio that has not completed a digital archiving project. According to District staff, there is no written contract for this project, which remains incomplete for over a year.

C. Completion and Filing of Financial Documents

The District is not current with completion of its financial statements.

D. Policy Manual

The District could not identify if certain policies have been adopted. The historical record of the District is inadequate.

E. Website Transparency

Senate Bill 929 added Government Code Sections 6279.6 and 53087.8 to provide the public easily accessible and accurate information through agency websites. By January 1, 2020, every California independent district is required to maintain a website.

The table, below, is not an exhaustive inventory of website criteria required under current law. Rather, it identifies key components (required by the Government Code and/or recommended by the California Special Districts Association and other organizations) for websites to enhance transparency and accountability.

Government Code Sections 54954.2 and 54957.5 require agencies to post all agendas 72 hours in advance on their websites. Government Code Section 6253 requires that agencies post content most requested by constituents (and most often requested via Public Record Act requests). Because of the difficulty for LAFCO staff to verify this information, these criteria are not included in the website checklist. However, agencies should address these criteria to comply with current website requirements.

**Table 1-10:
Website Checklist**

Barstow Cemetery District (Mountain View Memorial Park) Website Checklist			
website accessed 9/4/2020 www.mountainviewmemorial.specialdistrict.org			
<i>Required</i>			
		Yes	No
Government Code §53087.8	Agency maintains a website with current contact information? (<i>required for independents special districts by 1/1/2020</i>)	✓	
Government Code §6270.5	Agency has created an Enterprise System Catalog and posted it to website?		✓
Government Code §54954.2	Agency has current agenda posted to website homepage and is accessible through a prominent, direct link?	✓	
Government Code §53908	Agency's website provides information on compensation of elected officials, officers and employees or has link to State Controller's Government Compensation website?	✓	
<i>The following are recommended for agency websites by a number of governance associations and organizations.</i>			
		Yes	No
Description of Services?			✓
Service area map?			✓
Budgets (past 3 years)?			✓
Board meeting schedule?		✓	
Audits (past 3 years)?			✓
List of elected officials and terms of office?			✓
List of key agency staff with contact information?			✓
Meeting agendas (last six months)?		✓	
Meeting minutes (last six months)?			✓
<i>Notes: Board/staff names missing. No mention of "Barstow Cemetery District".</i>			

11. Government Structure Options

While the discussion of some government structure options may be theoretical, a service review should address possible options. Such options should consider:

- Improving public participation, local accountability, and governance;
- Producing economies of scale and improving buying power in order to reduce service costs;
- Enhancing capital improvement plans;
- Improving the ability to provide and explain budget and financial data; and
- Improving the quality and/or levels of service.

Evaluation of these options should weigh:

- Long-term savings of the change versus related transition costs;
- Cost-benefit of restructuring the current governing body and/or administration to any proposed alternative;
- Impact on operating cost (short and long-term) due to government structure changes; and
- Impact of government structure options on an agency's financial stability.

Structure Options that include LAFCO

1. Consolidate the two independent cemetery districts (Barstow and Twentynine Palms). This option would consolidate the two independent districts under one governing body. Administratively, there could be economies of scale – fewer administrative staff. Operationally, there would not be economies of scale due to the need to house heavy equipment at each location since the distance between cemeteries is roughly 100 miles. For the governing body, an independent district with two zones roughly 100 miles apart does not lend to local governance. Therefore, this option is not feasible.
2. Combine all public cemeteries (Barstow, Twentynine Palms, Lucerne Valley, and Searles Valley) by forming a County Service Area, governed by the County Board of Supervisors, to function as a single-purpose agency for all public cemeteries. Administratively and operationally, there would be economies of scale, as a single entity would conduct administration and operations. For the governing body, there would be a single body to govern all public cemeteries in the county. However, the two dependent districts (Lucerne Valley and Searles Valley) provide more than one function and separating these functions would reduce the community nature of the current form of governance in these communities. Further, this option would require an election. Therefore, this option is not feasible.

Structure Options that do not include LAFCO

3. Cemetery service to be provided by the City of Barstow. Current law (Health and Safety Code §8125) authorizes cities to survey, lay out, and dedicate for burial purposes no more than five acres of public lands. The District operates more than five acres. If the City were to succeed to the District's cemetery services, special legislation would need to occur and there is statutory precedent for authorization. In 2008, AB 1932 (Smyth) authorized the City of Simi Valley to operate a cemetery on public lands containing five acres or more. Should the City desire to succeed to the District's services and facilities, special legislation would be required.
4. The County Board of Supervisors may appoint itself to be the board of trustees (§9026). Such an action would not require LAFCO approval as it would not be a change of organization, rather the District remains but the governing body would be different. This would provide the District with resources that it currently lacks.
5. Outsourcing financial and/or administrative duties. The board of trustees would have to weigh the cost-benefits of outsourcing versus in-house management.

Sources:

Barstow Cemetery District
Financial Statements

Website. www.mountainviewmemorial.specialdistrict.org. Accessed 16 August 2020

CalPERS
Actuarial Reports

Grand Jury
2009/10 Report
2013/14 Report

LAFCO
Fiscal Indicators Program
LAFCO 3034 – Service Review and Sphere of Influence Update for the Barstow Cemetery District (2008)
Site Visit 25 September 2020

FINAL DRAFT

Agency Name	BARSTOW CEMETERY DISTRICT
Agency Contact Name	Melinda Johnson

1. Please provide a roster of board members.

Member Name	Position	Term Expiration
Mark Franey	Chair	2022
Stanley "Ed" Hignett	Vice-Chair	2020
Teresa Quiroz	Director	2020
Beverly Stoops	Secretary	2022
Vacant Position		

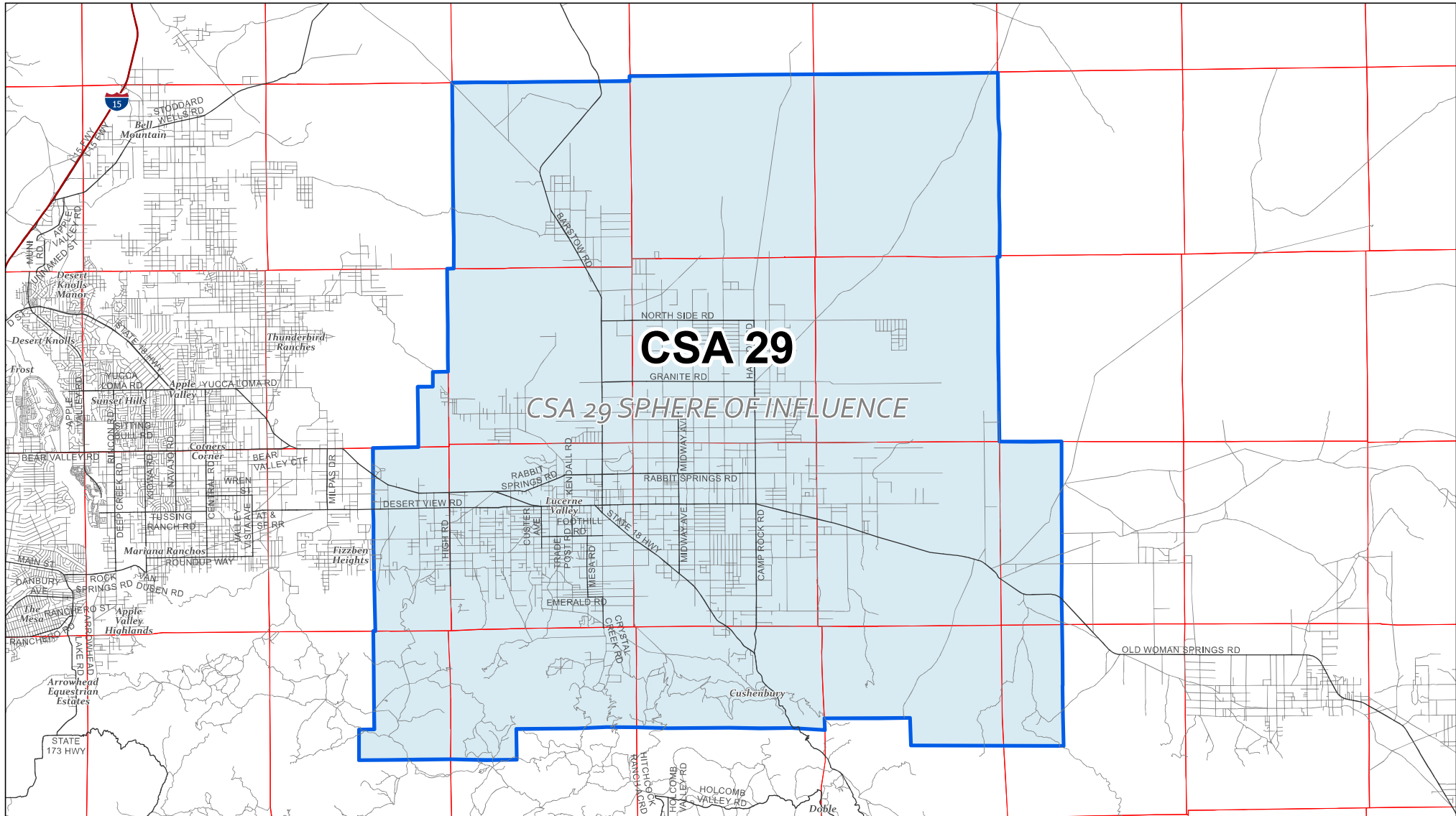
2. Government Code Section 9028(b) requires the appointment of a Secretary, which may be either a trustee or district employee. Provide the name of the appointee (trustee or employee). Beverly Stoops
3. If the District has appointed a Finance Director to manage its funds, it must require a bond for that person. If the District has a Finance Director, please confirm that person is bonded. San Bernardino County & Cooperate Funeral Fund both are bonded
4. What is the current size (sq. miles) of your district's territory? How much unused land remains for future cemetery use? Roughly 10 acres incorporated, and 13 acres incorporated
5. Cemetery Districts are permitted to lease currently unused land which is set aside for future cemetery use. Does your District lease any land to private organizations (e.g. cell phone towers, non-profits) or public agencies (e.g. city, schools) for continual or one-time use? No
6. Has the District adopted policies and procedures, including bidding regulations, governing the purchase of supplies and equipment?
Yes
7. Please provide copies of:
- Most recent budget approved by the board.
 - Five most recent audits accept by the board, of you have not already provided them to LAFCO.
 - Fee Schedule
 - Endowment Policies
8. AB 1234 (State Ethics Requirements)

FINAL DRAFT

- Does your district have a written policy to compensate board members for attendance at events beyond just board meetings, committee meetings and conferences? Yes
- Does your district have a written policy to reimburse board members for expenses? Yes
- Does your district use IRS reimbursement rates or adopt a policy that specifies reasonable reimbursement rates? Yes
- Are expense report forms provided to board members who require reimbursement? Yes. Are these completed forms retained on file as public documents? Yes
- Do all board members and any board-designated employees take at least two hours of ethics training at least every two years and receive a certificate of completion? General Manager is certified

Please return this questionnaire and any materials to LAFCO to either:

- LAFCO, 1170 W. Third Street, Unit 150, San Bernardino, CA 92415-0490
- mtuerpe@lafco.sbcounty.gov



County Service Area 29



Disclaimer: The information shown is intended to be used for general display only and is not to be used as an official map.

0 2 4 8 Miles



- County Service Area 29
- County Service Area 29 Sphere of Influence

1. LAFCO Conclusion and Recommendation

This review has no conclusions or recommendations for County Service Area 29.

2. Overview and Brief History

Community History

In the early 1900s, the area now known as Lucerne Valley was an important area for the growth of alfalfa in the western United States. Due to the potential of agriculture, the first parts of the community formed along the central valley and the crossroads of the two major corridors, now known as Highways 18 and 247. To recognize the viability and success of alfalfa farming in the area, the name of the community was changed to Lucerne (the French word for alfalfa) in 1916. In 1947, the “Dunton Quarry” limestone mine opened midway up the Cushenbury Canyon.

The first form of government for the community was the Lucerne Valley Park and Recreation District, which formed in 1948. Significant growth occurred in the 1950s following extension of the railroad into Lucerne Valley by Kaiser Industries to construct a cement plant and limestone quarry. The Lucerne Valley Fire Protection District formed in 1962 and the high school opened in 1991.¹ Lucerne Valley continues to be an important source for alfalfa and is one of the largest limestone producing areas in the country with the major mining companies digging into the north face of the San Bernardino Mountains.

CSA 29

County Service Area 29 (“CSA 29”) was formed in December 1964 by action of the County of San Bernardino Board of Supervisors for the primary purpose of providing cemetery services to central Lucerne Valley. CSA 29 is a dependent special district governed by the Board of Supervisors, and LAFCO currently authorizes CSA 29 the following functions: cemetery, TV translator, park and recreation, streetlighting, water, and sewer. Although authorized, CSA 29 does not actively provide sewer service and only supplies water to its own facilities. However, CSA 29 has these powers in order to plan for future water and sewer delivery.

Since its formation, LAFCO considered the annexation or expansion/reduction of powers of CSA 29 four times. These actions further defined the boundary of the community of Lucerne Valley, and the addition of powers moved towards centralization of municipal services.

- LAFCO 1935 in 1980 - Annexation to CSA 29, dissolution of Lucerne Valley Park and Recreation District and Lucerne Valley Fire Protection District, and addition of fire, park and recreation powers.

¹ County of San Bernardino, Lucerne Valley Community Plan, (Adopted March 13, 2007).

- LAFCO 2359 in 1986 - Expansion of water (domestic – to its own facilities) and sewer (engineering and planning) powers to allow the community to plan for providing these services.
- LAFCO 2474 in 1989 - Annexation to CSA 29 and detachment from CSA 38, Apple Valley Fire Protection District, and Apple Valley Park and Recreation District.
- LAFCO 3000 in 2008 – County Fire Reorganization, which transferred CSA 29's fire and ambulance functions to the San Bernardino County Fire Protection District.

CSA 29 is located in the north desert portion of the County and is located approximately 35 miles south of the City of Barstow, 45 miles northwest of the Town of Yucca Valley, 15 miles southeast of the Town of Apple Valley, and 20 miles north of Big Bear Lake. The District's boundary and sphere of influence are coterminous and comprise approximately 433 square miles.

Cemetery

Currently, CSA manages one cemetery - Lucerne Valley Memorial Park - located at 32522 Highway 18, Lucerne Valley. Lucerne Valley Memorial Park is located on land which was donated by the Goulding family to the Baptist Church. The Church turned over administration of the cemetery to the County after the formation of CSA 29.

3. Boundary and Sphere of Influence Review

This review identifies no boundary or sphere of influence matters for the CSA 29.

4. Previous Service Reviews and Other Reports

This agency's first service review from 2008 did not identify any areas of concern for CSA 29.² The companion sphere of influence update reaffirmed a coterminous sphere of influence for CSA 29.

5. Growth and Population Projections

Historically, Lucerne Valley can be characterized as a rural community that has experienced slow growth. The community had 4,986 residents in 1990 and 5,377 in 2000. According to the latest Census data ("ACS 2018"), Lucerne Valley currently has approximately 5,423 residents. Overall, the community has grown by roughly one percent annually over the last 30 years. Due to the rural nature of the community, continued slow growth is anticipated through 2040.

6. Disadvantaged Communities, Location and Characteristics

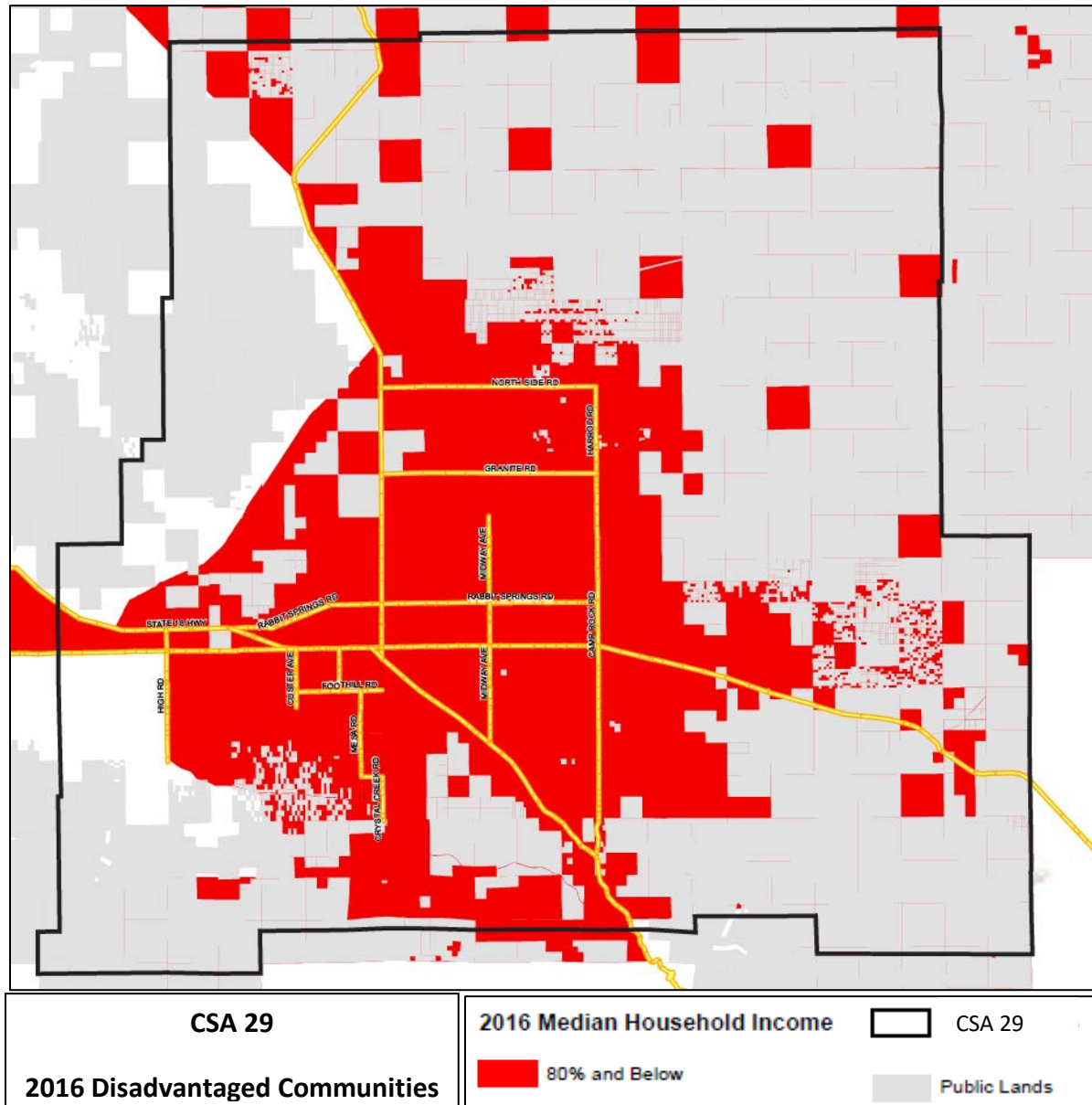
State law requires various entities (i.e. LAFCO, cities and counties, and water agencies) to, in some manner, identify disadvantaged communities, which can be located in both

² http://www.sbcounty.gov/lafco/items/feb2008/item_7.pdf

incorporated and unincorporated areas. More information on the laws and requirements regarding Disadvantaged Communities is available in [Appendix C: Primers](#) to this report.

The figure below identifies the location of the disadvantaged communities with the District overlay in black outline.

**Figure 2-1:
Disadvantaged Communities**



The table below identifies the characteristics of incorporated Disadvantaged Communities within and surrounding CSA 29.

**Table 2-1:
Characteristics of Disadvantaged Areas within CSA 29**

Population	5,423	Median Household Income	\$36,547
Households	2,169	Per Capita Income	\$20,478
Median Age	36.4	Unemployment Rate	28.8%

Source: ESRI, August 2020

7. Facilities and Services

The District completed a LAFCO questionnaire to LAFCO's questions regarding governance and operations. The District's response is included at the rear of this agency's profile.

A. Present and Planned Capacity of Public Facilities

Currently, CSA 29 manages one cemetery - Lucerne Valley Memorial Park - located at 32522 Highway 18, Lucerne Valley. The original cemetery contains 1,246 plots on roughly two acres, all which have been sold. In 2006, an extension to the Memorial Park (the Annex) opened. This four-acre section is located on the south side of the original Park. According to the District, internments for the past three years were nine (2017), 10 (2018), and 12 (2019), and 13 as of October 31, 2020.

As of October 29, 2020, the cemetery had:

- 1,192 filled sites
- 28 sold but empty sites
- 1,550 unsold sites

Cemetery plot space is subject to the Board governed fee schedule. Anyone can be buried at the cemetery. The burial fee structure has three categories, each with different fees: 1) property owner, 2) resident/non-property owner, 3) and non-resident/non-property owner. At present, there is no master plan for cemetery service.

B. Adequacy of Public Services

Given the remote nature of the District, as well as the need for internment services, the public service is adequate.

C. Infrastructure Needs and Deficiencies

The grounds are maintained pursuant to maintenance schedule.

8. Financial Ability to Provide Services

To make the required service review determination of an agency's financial ability to provide services, LAFCO referenced the agency's own financial documents (audits, budgets, capital improvement program). Additionally, LAFCO's Fiscal Indicators Program shows fiscal trends for an agency and allows for an agency comment.³ The information below incorporates all of the information and sources identified above.

A. Overview

Revenues are comprised of service fees, the District's share of the general property tax levy, and interest.

B. Funds

The District maintains three major governmental funds with the County Treasury, which are listed below.

- General, a special revenue fund: for regular income and expenses
- Cemetery, a permanent fund: provides maintenance and upkeep for cemetery grounds
- CIP, a capital projects fund: to account for various improvements to the cemetery, senior center, and communications center

General Fund

The fund labeled "General" is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

A trend of operating gains or deficits is a key indicator of the financial health of an agency. The figure below shows the General Fund balance for the period of FY 2013/14 through FY 2018/19. The fund balance has increased by 266% within five years with Total Revenues increasing by 16% and Total Expenditures increasing by 13%. Note that this represents CSA 29 as a whole, not just its cemetery functions, as cemetery general operations are not identified as a separate column in the financial statements.

³ <http://www.sbclafco.org/FiscalIndicators/BOS/CSA29.aspx>

**Table 2-2:
General Fund Balance**

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	5 yr Var
REVENUES							
Charges for services	3,063	11,675	8,668	27,583	27,071	15,537	407%
Property taxes	412,564	419,251	435,363	457,238	481,764	491,160	19%
Other	39,404	137,130	30,521	48,157	67,526	22,808	-42%
Total Revenue	\$ 455,031	\$ 568,056	\$ 474,552	\$ 532,978	\$ 576,361	\$ 529,505	16%
EXPENDITURES							
Salaries & Benefits	328,145	276,300	262,338	244,314	282,433	248,385	-24%
Services & Supplies	175,844	244,983	167,532	192,815	212,006	313,908	79%
Other						5,441	
Total Expenditures	\$ 503,989	\$ 521,283	\$ 429,870	\$ 437,129	\$ 494,439	\$ 567,734	13%
Revenues less Expend.	(48,958)	46,773	44,682	95,849	81,922	(38,229)	
OTHER FINANCING							
Transfers In			(70,000)	11,035	4,941		
Fund Balance Begin	115,553	66,595	113,368	88,050	194,934	281,797	144%
Fund Balance End	\$ 66,595	\$ 113,368	\$ 88,050	\$ 194,934	\$ 281,797	\$ 243,568	266%

General Fund Liquidity

As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. At the end of FY 2018/19, unreserved fund balance of the General Fund was \$7,123, one percent of total General Fund expenditures. It would appear that the liquidity is not adequate.

The Government Finance Officers Association ("GFOA") currently recommends that regardless of size, general-purpose governments should maintain unreserved fund balance in their General Fund of "no less than two months of regular general fund operating revenues or expenditures." A General Fund balance of a lesser level exposes the General Fund to the risk of not being able to meet cash flow requirements, economic uncertainties, or other financial hardships. As shown on the chart below, the District's unreserved fund balance is below the general rule of more than two months of regular General Fund operating expenditures.

However, CSA 29 operates as a part of County Special Districts with an overlaying county service area, CSA 70, which provides overall administration for all board-governed districts. CSA 70 has its own operational and reserve funds. Further, CSA 29's annual gains have been placed into Reserved/Restricted funds. Therefore, this report concludes that the overall liquidity of CSA 29 is adequate when taking into account all funds and administrative mechanisms available to it.

**Table 2-3:
General Fund Liquidity**

General Fund (GF)	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Total GF expenditures	\$ 503,989	\$ 521,283	\$ 429,870	\$ 437,129	\$ 494,439	\$ 567,734
Unreserved GF fund balance	7,123	7,123	7,123	7,123	7,123	7,123
(as a % of total expenditures)	1%	1%	2%	2%	1%	1%
Total fund GF balance	\$ 66,595	\$ 113,368	\$ 88,050	\$ 194,934	\$ 281,797	\$ 243,568
(as a % of total expenditures)	13%	22%	20%	45%	57%	43%

sources: Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance

Endowment Fund

The District maintains an Endowment Fund to account for the portion of the monies paid for every interned person to be held as a perpetual endowment. Pursuant to State law, the board of trustees may not spend the principal of the Endowment Fund. However, the principal can be invested in securities and obligations, and the interest and gains may be spent from the investments (§9065(e)). The figure below shows the fund balance of the Endowment Care fund for the same time period.

**Table 2-4:
Endowment Fund**

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	5 yr Var
REVENUES							
Charges for services					1,550		
Interest & investment	481	396	722	460	730	3,158	557%
Total Revenue	\$ 481	\$ 396	\$ 722	\$ 460	\$ 2,280	\$ 3,158	557%
EXPENDITURES							
Total Expenditures	\$ 1,073	\$ -	\$ -	\$ -	\$ -	\$ -	
Revenues less Expend.	(592)	396	722	460	2,280	3,158	-633%
OTHER FINANCING							
Other			550	1,900	202	549	
Transfers In (Out)	-	-		-	-	-	
Fund Balance Begin	93,189	92,597	92,993	94,265	96,625	99,107	6%
Fund Balance End	\$ 92,597	\$ 92,993	\$ 94,265	\$ 96,625	\$ 99,107	\$ 102,814	11%
*Endowment Principal	\$92,597	\$92,993	\$94,265	\$96,627	\$99,107	\$102,814	11%

sources: Statement of Revenues, Expenditures, and Fund Balances and Balance Sheets

Long-term Debt

As of June 30, 2019, the District's long-term debt obligations consist of:

- | | |
|---|-----------|
| • Net Pension Liability
<i>(see details below)</i> | \$202,216 |
| • Due to other governments
<i>(according to County Special Districts staff, this amount is for accruals in 2019 to reimburse CSA 70 (county special districts admin) for labor and services/ supplies)</i> | \$121,785 |
| • Compensated absences payable | \$ 33,312 |
| • Salary and benefits payable | \$ 11,788 |
| • Other | \$ 746 |

C. Capital Outlay

In 2006, an extension to the Lucerne Valley Memorial Park (the Annex) opened. This four-acre section is located on the south side of the original Park.

D. Pension Liability and Contributions

Employees are members in the San Bernardino County Employees' Retirement Association ("SBCERA").

Liability

At June 30, 2019, CSA 29 reported a liability of \$202,216, which represents a 3.7% share of the County of San Bernardino Special District's proportionate share of the County's net pension liability. The CSA's proportion was allocated based on FY 2019 total salaries and benefits relative to the total salaries and benefits of the County of San Bernardino Special Districts as a whole.

Contributions

For FY 2020-21, the employer contribution rate assigned by SBCERA is 25.84% (Tier 1) and 23.32% (Tier 2). The County Administrative Office assigns an additional 11.0% for pension obligations bonds, which are paid directly to the County. The last payments for the two bonds will occur in FY 2021/22 and FY 2023/24.

9. Shared Facilities

A. Status of Shared Facilities

The County identifies that it does not share its cemetery land with other agencies.

B. Opportunities for Shared Facilities

An opportunity may exist for CSA 29 to lease its non-used land to other public agencies. Section 9054 permits a district to use or lease land acquired for future cemetery use to a public agency for recreational use. The County identifies that approximately 3.7 acres are unused at this time.

10. Accountability

A. Board Members

CSA 29 is a dependent district, governed by the County Board of Supervisors, and operates under the auspices of County Special Districts, a part of the County's Department of Public Works.

B. Internment Records

In 1994, a land probe was done to determine how many sites were unmarked graves. Twenty-four burials were found for which there were no records. These circumstances pre-date the formation of CSA 29.

Current records are well kept. A site book is updated once a year. The District uses digital archiving to account and mark its sites. The online system is available to the public via the District's website.

C. Completion and Filing of Financial Documents

The District is current with completion of its financial statements.

D. Policy Manual

CSA 29 operates under the policies adopted by the County.

E. Website Transparency

Senate Bill 929 added Government Code Sections 6279.6 and 53087.8 to provide the public easily accessible and accurate information through agency websites. By January 1, 2020, every California independent district is required to maintain a website.

The table, below, is not an exhaustive inventory of website criteria required under current law. Rather, it identifies key components (required by the Government Code and/or recommended by the California Special Districts Association and other organizations) for websites to enhance transparency and accountability.

Government Code Sections 54954.2 and 54957.5 require agencies to post all agendas 72 hours in advance on their websites. Government Code Section 6253

requires that agencies post content most requested by constituents (and most often requested via Public Record Act requests). Because of the difficulty for LAFCO staff to verify this information, these criteria are not included in the website checklist. However, agencies should address these criteria to comply with current website requirements.

**Table 2-6:
Website Checklist**

CSA 29 Website Checklist			
website accessed 10/22/2020 http://csa29.com/Home.html			
<i>Required</i>			
		Yes	No
Government Code §53087.8	Agency maintains a website with current contact information? <i>(required for independents special districts by 1/1/2020)</i>	✓	
Government Code §6270.5	Agency has created an Enterprise System Catalog and posted it to website?	✓	
Government Code §54954.2	Agency has current agenda posted to website homepage and is accessible through a prominent, direct link?	✓	
Government Code §53908	Agency's website provides information on compensation of elected officials, officers and employees or has link to State Controller's Government Compensation website?	✓	
<i>The following are recommended for agency websites by a number of governance associations and organizations.</i>			
		Yes	No
Description of Services?		✓	
Service area map?		✓	
Budgets (past 3 years)?		✓	
Board meeting schedule?		✓	
Audits (past 3 years)?		✓	
List of elected officials and terms of office?		✓	
List of key agency staff with contact information?		✓	
Meeting agendas (last six months)?		✓	
Meeting minutes (last six months)?		✓	
<i>Notes: Items identified with "Yes" are satisfied via the CSA 29 site, Special Districts site (www.specialdistricts.org) or the County's site (www.sbcounty.gov)</i>			

11. Government Structure Options

While the discussion of some government structure options may be theoretical, a service review should address possible options. Such options should consider:

- Improving public participation, local accountability, and governance;
- Producing economies of scale and improving buying power in order to reduce service costs;
- Enhancing capital improvement plans;
- Improving the ability to provide and explain budget and financial data; and
- Improving the quality and/or levels of service.

Evaluation of these options should weigh:

- Long-term savings of the change versus related transition costs;
- cost-benefit of restructuring the current governing body and/or administration to any proposed alternative;
- Impact on operating cost (short and long-term) due to government structure changes; and
- Impact of government structure options on an agency's financial stability.

Structure Options that include LAFCO

1. Combine all public cemeteries (Barstow, Twentynine Palms, Lucerne Valley, and Searles Valley) by forming a County Service Area, governed by the County Board of Supervisors, to function as a single-purpose agency for all public cemeteries. Administratively and operationally, there would be economies of scale, as a single entity would conduct administration and operations. For the governing body, there would be a single body to govern all public cemeteries in the county. However, the two dependent districts (Lucerne Valley and Searles Valley) provide more than one function and separating these functions would reduce the community nature of the current form of governance in these communities. Further, this option would require an election. Therefore, this option is not feasible.
2. One option would be for the residents within the community to submit an application to LAFCO to form an independent community services district ("CSD"). Through this formation, the CSD would have a choice to provide 33 different services, including cemetery services, and the voters would select the board of directors, which must reside within the district. The formation application must show that the proposed CSD would be financially viable. Since 1964, the Commission has considered three proposals to form a CSD in the Lucerne Valley. In each case, the proposal was not successful, with two of the proposals defeated at election. At this time, there is no expressed desire by the residents to look at the formation of a CSD.

Structure Options that do not include LAFCO

3. Outsourcing the cemetery operations and/or administrative duties. The County Board of Supervisors would have to weigh the cost-benefits of outsourcing versus in-house management.

Sources:

CSA 29

Financial Statements

Interview. 29 September 2020.

Website. www.csa29.com/home.html Accessed 19 September 2020.

LAFCO

Fiscal Indicators Program

LAFCO 3021 – Service Review and Sphere of Influence Update for the County
Service Area 29

Lucerne Valley Root Diggers Genealogy Association

Website. <http://www.lucernevalley.net/orgs/roots/> Accessed 22 October 2020.

FINAL DRAFT

Agency Name	SAN BERNARDINO COUNTY SPECIAL DISTRICTS DEPARTMENT COUNTY SERVICE AREA 29 – LUCERNE VALLEY
Agency Contact Name	Luther Snoke - DEO

1. Please provide a roster of board members.

Member Name	Position	Term Expiration
Curt Hagman	Chair	12/05/2022
Josie Gonzales	Vice-Chair	12/07/2020
Robert Lovingood	1 st District	12/07/2020
Janice Rutherford	2 nd District	12/05/2022
Dawn Rowe	3 rd District	12/07/2020

2. Government Code Section 9028(b) requires the appointment of a Secretary, which may be either a trustee or district employee. Provide the name of the appointee (trustee or employee). **Frank Haggard – Recreation Superintendent**
3. If the District has appointed a Finance Director to manage its funds, it must require a bond for that person. **Dennis Stout Jr. Division Manager- Fiscal & Administrative Services**. If the District has a Finance Director, please confirm that person is bonded. **YES, bonded at \$25,000**
4. What is the current size (sq. miles) of your district's territory? **Approx. 30 acres**
How much unused land remains for future cemetery use? **3.7 acres.**
5. Cemetery Districts are permitted to lease currently unused land which is set aside for future cemetery use. Does your District lease any land to private organizations (e.g. cell phone towers, non-profits) or public agencies (e.g. city, schools) for continual or one-time use? **NO**
6. Has the District adopted policies and procedures, including bidding regulations, governing the purchase of supplies and equipment? **YES Guided by County Policy.**
7. Please provide copies of:
 - a. Most recent budget approved by the board. **See Attached**
 - b. Five most recent audits accepted by the board, if you have not already provided them to LAFCO. **See attached 2019 Financial Statement**
 - c. Fee Schedule **See attached**
 - d. Endowment Policies **None**

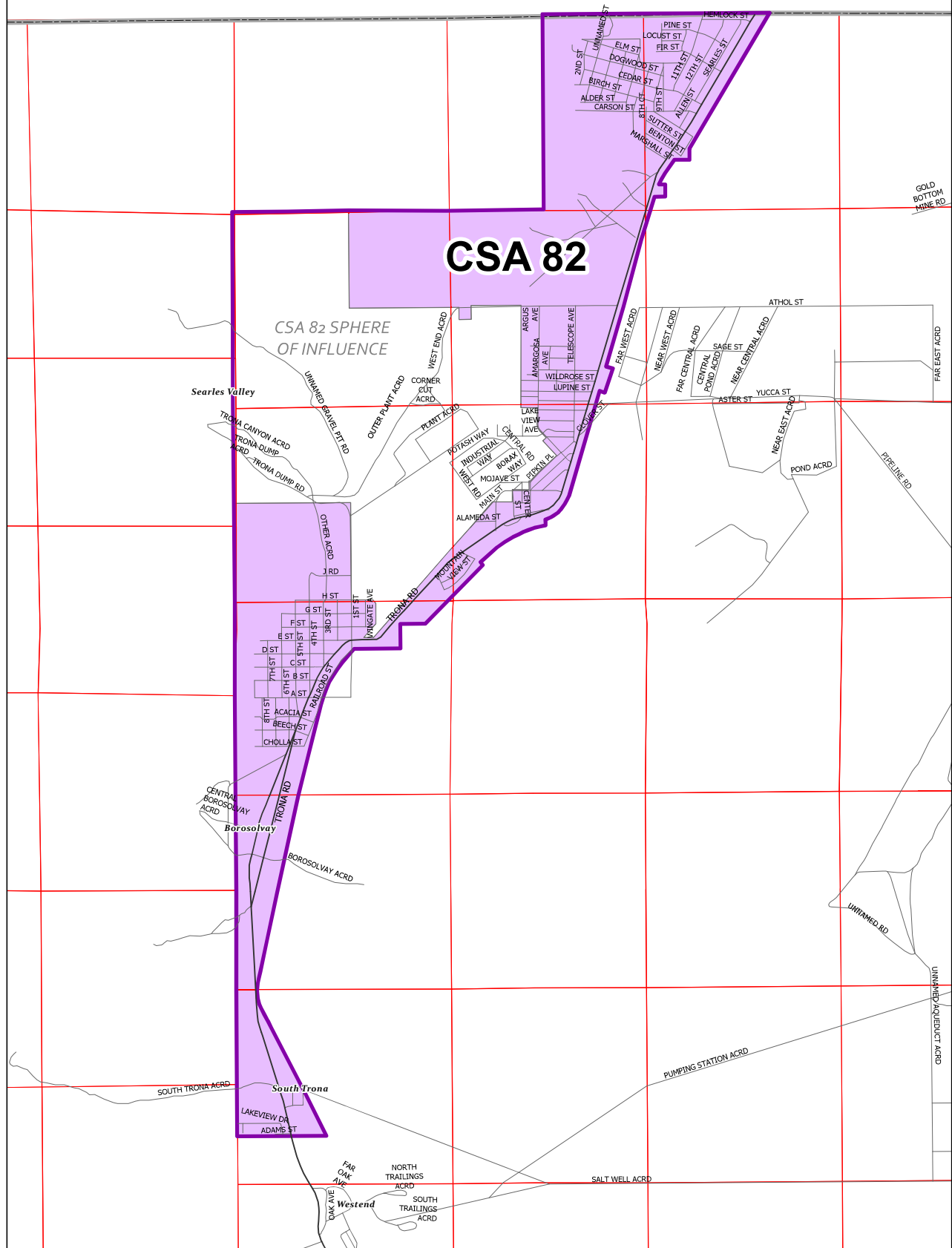
FINAL DRAFT

8. AB 1234 (State Ethics Requirements)

- Does your district have a written policy to compensate board members for attendance at events beyond just board meetings, committee meetings and conferences? **No**.
- Does your district have a written policy to reimburse board members for expenses? **Yes**.
- Does your district use IRS reimbursement rates or adopt a policy that specifies reasonable reimbursement rates? **Yes, guided by County Policy**.
- Are expense report forms provided to board members who require reimbursement? **Yes**. Are these completed forms retained on file as public documents? **Yes**.
- Do all board members and any board-designated employees take at least two hours of ethics training at least every two years and receive a certificate of completion? **Yes**.

Please return this questionnaire and any materials to LAFCO to either:

- LAFCO, 1170 W. Third Street, Unit 150, San Bernardino, CA 92415-0490
- mtuerpe@lafco.sbcounty.gov



County Service Area 82

- County Service Area 82
- County Service Area 82 Sphere of Influence
- San Bernardino County Line



Disclaimer: The information shown is intended to be used for general display only and is not to be used as an official map.

0 0.25 0.5 1 Miles



1. LAFCO Conclusion and Recommendation

A. County Jurisdiction

If not owned by a city or fraternal or beneficial association or society, public cemeteries are under the jurisdiction and control of the board of supervisors of the county in which they are situated.

LAFCO concludes that should there be a discontinuance of water or electricity service by Searles Valley Minerals, CSA 82, as the responsible and liable entity for the cemetery, would be responsible for providing a mechanism to assure water and electrical service.

LAFCO concludes that should the Searles Valley Cemetery Association cease capability to provide operations and maintenance of the cemetery, then the County Board of Supervisors would assume control of the cemetery operations and management.

B. Agreement between CSA 82 and the Searles Valley Cemetery Association

In October 2012, acting as the governing body of CSA 82, the County Board of Supervisors approved a Memorandum of Understanding (Agreement No. 12-776) with Searles Valley Cemetery Association (Association) formalizing the agreement for management of the Searles Valley Cemetery for a term of ten years through August 21, 2022. Pursuant to the agreement, the County indemnifies the Association, and the County has the right to inspect the cemetery grounds and operations.

LAFCO concludes that the County has not conducted an inspection of the cemetery or its operations for some time, thereby exposing the County to any material weaknesses or significant deficiencies, should any exist. The County is currently conducting an operational inspection of the Searles Valley Cemetery Association practices and procedures. The County conducted its most recent onsite facility inspection in October 2020.

LAFCO recommends that the County renew the agreement with the Searles Valley Cemetery Association prior to the agreement's termination in August 2022, to include the clause whereby the County indemnifies the Cemetery Association. In response to the working copy of this service review, County Special Districts indicates that it intends to renew the agreement with the Searles Valley Cemetery Association.

LAFCO recommends that the County periodically inspect the cemetery and its operations. In response to the working copy of this service review, County Special Districts identifies that it has placed the cemetery into its quarterly facility routine inspections and that it will generate and file a quarterly formal report.

2. Overview and Brief History

Community History

The overall Searles Valley area is located along Highway 178 in the northwestern most portion of the County bordering the southern boundary of Inyo County. Within the Searles Valley are the communities of Pioneer Point, Trona, and Argus. The surrounding geography confines the Searles Valley community. It is located west of the Argus mountain range, south of the Inyo County line, east of the Searles Dry Lake, and north of Poison Canyon. The community is further isolated due to its enclosure by public lands and being located between the western and eastern portions of the China Lake Naval Weapons Center. Therefore, access to the community is restricted to Highway 178 from the south or north. Located southerly of the community is the Trona Pinnacles, a landscape of natural spires rising from the dry lake bed of Searles Lake. The Trona Pinnacles were designated by the Department of the Interior as a National Natural Landmark in 1968.

The following narrative provides a historical perspective of the community from information gathered from local history publications¹ and the Searles Valley Historical Society.

In 1862, John W. Searles came looking for gold and found borax instead in the area known today as Searles Dry Lake. In 1913, the Trona railway was completed connecting the town to the railway in Searles, Kern County. Named after a kind of sodium carbonate, Trona was officially established in the same year as a self-contained company town, wholly-operated by its resident mining company to house employees. The company even issued its own money called Trona Script to be used in town.

The community peaked in population of around 6,000 during World War I, when Trona was the only reliable American source of potash, an important element used in the production of gunpowder. In 1954, the company town disbanded and sold its homes to employees. In 1962, Searles Valley was declared a California Registered Historic Landmark. Since the late 1950s/early 1960s, the population has dwindled to its current population of roughly 1,900. The heart of the town remains the mining industry, operated by Searles Valley Minerals.

CSA 82

In 1964, the Searles Valley Cemetery Association lobbied for the formation of the former County Service Area 22 (CSA 22) to provide cemetery services to the Searles Valley community. The impetus for forming a public agency was to operate the community's cemetery as a public cemetery rather than a private cemetery, which would have required an initial endowment fund balance of \$25,000. The former American Potash and Chemical Corporation donated the land for the cemetery to the Association. The land was subsequently transferred to CSA 22, as the responsible entity.

¹ Various, Once Upon a Desert. Mojave River Valley Museum Association, Barstow, CA, 1994; Patricia Keeling, Editor.

County Service Area 82 (CSA 82) was formed in 1976 as a reorganization of five overlapping or adjacent agencies in the Searles Valley area to provide sanitation and sewer, streetlighting, fire protection, cemetery, animal control, and parks and recreation service. CSA 82 is a dependent special district governed by the County of San Bernardino Board of Supervisors and operates under County Service Area Law (Government Code Section 25210 et seq.). Currently, CSA 82 is authorized by LAFCO to provide cemetery, park and recreation, streetlighting, and sewer service. Therefore, since 1964 CSA 22 and then CSA 82 have been the responsible entities to provide cemetery services within the community.

CSA 82 encompasses approximately 3.5 square miles and has not altered its boundaries since its formation in 1976. The boundaries of CSA 82 generally follow the geography of the area, excluding the Searles Valley Minerals plants, and are enclosed by public lands. In the formation of CSA 82, the mineral plants requested not to be included in CSA 82 due to their opposition to paying the additional tax rate that would have applied. There have been no annexations since its formation.

Cemetery

County Assessor records identify that the cemetery comprises two parcels totaling 10.29 acres (APN 048504128 - 4.69 acres and APN 048502121 - 5.60). In 2008 the Searles Valley Minerals Operations, Inc, donated the 5.6-acre parcel to the County of San Bernardino, “for the use and benefit of County Service Area No. 82” as stated in the grant deed transferring the property. This transfer was accepted by the Director of Special Districts on June 11, 2008. The additional parcel is located across the street from the original cemetery for use as cemetery grounds.

3. Boundary and Sphere of Influence Review

CSA 82 is bordered by a combination of the Searles mountain range and the self-sustaining Searles Valley Minerals plant on the west; the Inyo County line on the north; the Searles Dry Lake on the east; and a combination of the Searles Valley Minerals plant and Poison Canyon on the south.

This review identifies no boundary or sphere of influence matters for the CSA 82.

4. Previous Service Reviews and Other Reports

This agency’s first service review from 2009 identified that the agreement between CSA 82 and the Searles Valley Cemetery Association was not formal as it lacked a written agreement.² As a result, in 2012 the County entered into a formal agreement with the Cemetery Association.

The companion sphere of influence update (2009) expanded the sphere of influence for CSA 82 by approximately 2.1 square miles to encompass the Searles Valley community.

² http://www.sbcounty.gov/lafco/items/201001/item_11.pdf

5. Growth and Population Projections

Historically, Seales Valley can be characterized as a rural community that has experienced slow growth. According to the staff report for the formation of CSA 82, in 1976 the population was roughly 4,500. Since then, it has declined to 2,740 (1990) and 1,885 (2000). Since 2000, the population has been stable at roughly 1,900³. The change in population for this community is not projected to be significant, if any.

6. Disadvantaged Communities, Location and Characteristics

State law requires various entities (i.e. LAFCO, cities and counties, and water agencies) to, in some manner, identify disadvantaged communities, which can be located in both incorporated and unincorporated areas. More information on the laws and requirements regarding Disadvantaged Communities is available in Appendix C: Primers to this report.

The entire Searles Valley community is designated as a disadvantaged community.

7. Facilities and Services

The District completed a LAFCO questionnaire to LAFCO's questions regarding governance and operations. The District's response is included at the rear of this agency's profile.

A. Present and Planned Capacity of Public Facilities

The County owns the cemetery property for the benefit and use of County Service Area 82, which is authorized to provide cemetery services. Since 1964, the Searles Valley Cemetery Association, a non-profit 501(c)(13) association, has managed the Searles Valley Cemetery (Cemetery).

In October 2012, acting as the governing body of CSA 82, the County Board of Supervisors approved a Memorandum of Understanding (Agreement No. 12-776) with Searles Valley Cemetery Association (Association) formalizing the agreement for management of the Cemetery for a term of ten years through August 21, 2022.

The Association is located in the community and is better able to provide cemetery services by this proximity. CSA 82 does not employ full time employees, therefore, the County would have to hire staff or utilize staff from other districts in order to provide cemetery service. Through the MOU, the Association continues to oversee the burials, maintain the cemetery grounds, and maintain the burial plot map and location. Additionally, the MOU authorizes the Association to provide management services of the Cemetery and indemnify the Association for liability arising from the performance of their duties for ten years.

In 2012, there were 1,305 purchased plots and 1,907 future plots available.

³ U.S. Census, Census 2000, 1990 Census

B. Adequacy of Public Services

Given the remote nature of the District, as well as the need for internment services, the public service is adequate.

The Association holds quarterly meetings at the Trona Senior Center. According to the Association, a copy of each burial permit is provided to the Registrar of the County Health Department. The Association's goal and practice is to provide free burial to the residents in the area. There are no fees charged to local residents, but non-local residents are charged for burial and for cremated remains. Volunteers do the upkeep of the grounds and digging of the graves for burial. Electricity and water service to the cemetery is provided, at no cost, by Searles Valley Minerals Inc.

C. Infrastructure Needs and Deficiencies

The grounds are maintained pursuant to maintenance schedule set by the Cemetery Association. Should there be a discontinuance of water or electricity service by Searles Valley Minerals, CSA 82, as the responsible and liable entity for the cemetery, would be responsible for providing a mechanism to assure water and electrical service.

8. Financial Ability to Provide Services

Even though CSA 82 receives a share of the one percent ad valorem general levy, the cemetery operation does not receive proceeds from the ad valorem taxes for its operations. The Association provides free burials and cemetery plots to residents of Searles Valley funded through donations and by volunteers in the Searles Valley community and the Searles Valley Mineral Company.

9. Shared Facilities

A. Status of Shared Facilities

The County identifies that it does not share the cemetery land with other agencies.

B. Opportunities for Shared Facilities

An opportunity may exist for CSA 82 to lease its non-used land to other public agencies. Section 9054 permits a district to use or lease land acquired for future cemetery use to a public agency for recreational use.

10. Accountability

A. Board Members

CSA 82 is a dependent district, governed by the County Board of Supervisors, and operates under the auspices of County Special Districts, a part of the County's Department of Public Works.

The Association operates with 11 Trustees who are residents of Searles Valley. The Board of Trustees meet quarterly. According to the Association, all members are volunteers and receive no payments for their services.

B. Internment Records

Since 2013, all records are digitized in dropbox on file with SVCA. There are no dedicated websites for either CSA or the Searles Valley Cemetery (although the Cemetery Association has a Facebook page).

C. Completion and Filing of Financial Documents

The District is current with completion of its financial statements, which do not include cemetery operations.

D. Policy Manual

CSA 82 operates under the policies adopted by the County. The Cemetery Association operates with its own bylaws and policies.

E. Website Transparency

The County's Special Districts website contains a dedicated page for CSA 82's sewer function but lacks any information on its other functions: park and recreation, cemetery, and streetlighting. Should the public desire to access information about CSA 82, it cannot do so via a direct link. Therefore, this section is incomplete. Items identified with "Yes" in the table below are satisfied via the Special Districts site (www.specialdistricts.org) or the County's site (www.sbcounty.gov). In response to the working copy of this report, Special Districts states that it is adding CSA 82 to its website to comply with these recommendations

Senate Bill 929 added Government Code Sections 6279.6 and 53087.8 to provide the public easily accessible and accurate information through agency websites. By January 1, 2020, every California independent district is required to maintain a website.

The table, below, is not an exhaustive inventory of website criteria required under current law. Rather, it identifies key components (required by the Government Code and/or recommended by the California Special Districts Association and other organizations) for websites to enhance transparency and accountability.

Government Code Sections 54954.2 and 54957.5 require agencies to post all agendas 72 hours in advance on their websites. Government Code Section 6253 requires that agencies post content most requested by constituents (and most often requested via Public Record Act requests). Because of the difficulty for LAFCO staff to verify this information, these criteria are not included in the website checklist. However, agencies should address these criteria to comply with current website requirements.

**Table 2-6:
Website Checklist**

CSA 82 Website Checklist			
<i>Required</i>			
		Yes	No
Government Code §53087.8	Agency maintains a website with current contact information? (<i>required for independents special districts by 1/1/2020</i>)		✓
Government Code §6270.5	Agency has created an Enterprise System Catalog and posted it to website?	✓	
Government Code §54954.2	Agency has current agenda posted to website homepage and is accessible through a prominent, direct link?	✓	
Government Code §53908	Agency's website provides information on compensation of elected officials, officers and employees or has link to State Controller's Government Compensation website?	✓	
<i>The following are recommended for agency websites by a number of governance associations and organizations.</i>			
		Yes	No
Description of Services?			✓
Service area map?			✓
Budgets (past 3 years)?		✓	
Board meeting schedule?		✓	
Audits (past 3 years)?		✓	
List of elected officials and terms of office?		✓	
List of key agency staff with contact information?		✓	
Meeting agendas (last six months)?		✓	
Meeting minutes (last six months)?		✓	
<i>Notes: Items identified with "Yes" are satisfied via the Special Districts site (www.specialdistricts.org) or the County's site (www.sbcounty.gov)</i>			

11. Government Structure Options

While the discussion of some government structure options may be theoretical, a service review should address possible options. Such options should consider:

- Improving public participation, local accountability, and governance;
- Producing economies of scale and improving buying power in order to reduce service costs;
- Enhancing capital improvement plans;
- Improving the ability to provide and explain budget and financial data; and
- Improving the quality and/or levels of service.

Evaluation of these options should weigh:

- Long-term savings of the change versus related transition costs;
- Cost-benefit of restructuring the current governing body and/or administration to any proposed alternative;
- Impact on operating cost (short and long-term) due to government structure changes; and
- Impact of government structure options on an agency's financial stability.

Structure Options that include LAFCO

1. Combine all public cemeteries (Barstow, Twentynine Palms, Lucerne Valley, and Searles Valley) by forming a County Service Area, governed by the County Board of Supervisors, to function as a single-purpose agency for all public cemeteries. Administratively and operationally, there would be economies of scale, as a single entity would conduct administration and operations. For the governing body, there would be a single body to govern all public cemeteries in the county. However, the two dependent districts (Lucerne Valley and Searles Valley) provide more than one function and separating these functions would reduce the community nature of the current form of governance in these communities. Further, this option would require an election. Therefore, this option is not feasible.
2. One option would be for the residents within the community to submit an application to LAFCO to form an independent community services district ("CSD"). Through this formation, the CSD would have a choice to provide 33 different services, including cemetery services, and the voters would select the board of directors, which must reside within the district. The formation application must show that the proposed CSD would be financially viable. At this time, there is no expressed desire by the residents to look at the formation of a CSD.

Structure Options that do not include LAFCO

The County already outsources the cemetery operations and management.

Sources:

CSA 82

Interview with Special Districts Staff. 29 September 2020.

LAFCO

LAFCO 3025 – Service Review and Sphere of Influence Update for County Service Area 82

Searles Valley Cemetery Association

Website. <https://www.facebook.com/pages/category/Nonprofit-Organization/Searles-Valley-Cemetery-Association-169975463342132/>

Searles Valley Historical Society

FINAL DRAFT

Agency Name	SAN BERNARDINO COUNTY SPECIAL DISTRICTS DEPARTMENT COUNTY SERVICE AREA 82 – SEARLES VALLEY
Agency Contact Name	Luther Snoke - DEO

1. Please provide a roster of board members.

Member Name	Position	Term Expiration
Curt Hagman	Chair	12/05/2022
Josie Gonzales	Vice-Chair	12/07/2020
Robert Lovingood	1 st District	12/07/2020
Janice Rutherford	2 nd District	12/05/2022
Dawn Rowe	3 rd District	12/07/2020

2. Government Code Section 9028(b) requires the appointment of a Secretary, which may be either a trustee or district employee. Provide the name of the appointee (trustee or employee). [Andrew Ledesma \(President Searles Valley Cemetery Assc\)](#) or [Glenn Jacklin Division Manager Operations \(CSA 82\)](#)
3. If the District has appointed a Finance Director to manage its funds, it must require a bond for that person. [Treasurer \(Searles Valley Cemetery Assc\)](#) or [Dennis Stout Jr. Division Manager- Fiscal & Administrative Services County Special Districts](#). If the District has a Finance Director, please confirm that person is bonded. [YES, County Special Districts is bonded at \\$25,000](#)
4. What is the current size (sq. miles) of your district's territory? [10 Acres](#) How much unused land remains for future cemetery use? [5.6 Acres](#)
5. Cemetery Districts are permitted to lease currently unused land which is set aside for future cemetery use. Does your District lease any land to private organizations (e.g. cell phone towers, non-profits) or public agencies (e.g. city, schools) for continual or one-time use? [NO](#)
6. Has the District adopted policies and procedures, including bidding regulations, governing the purchase of supplies and equipment? [YES guided by County Policy](#)
7. Please provide copies of:
 - a. Most recent budget approved by the board. [No financial Data obtained for the CSA 82 Cemetery.](#)

FINAL DRAFT

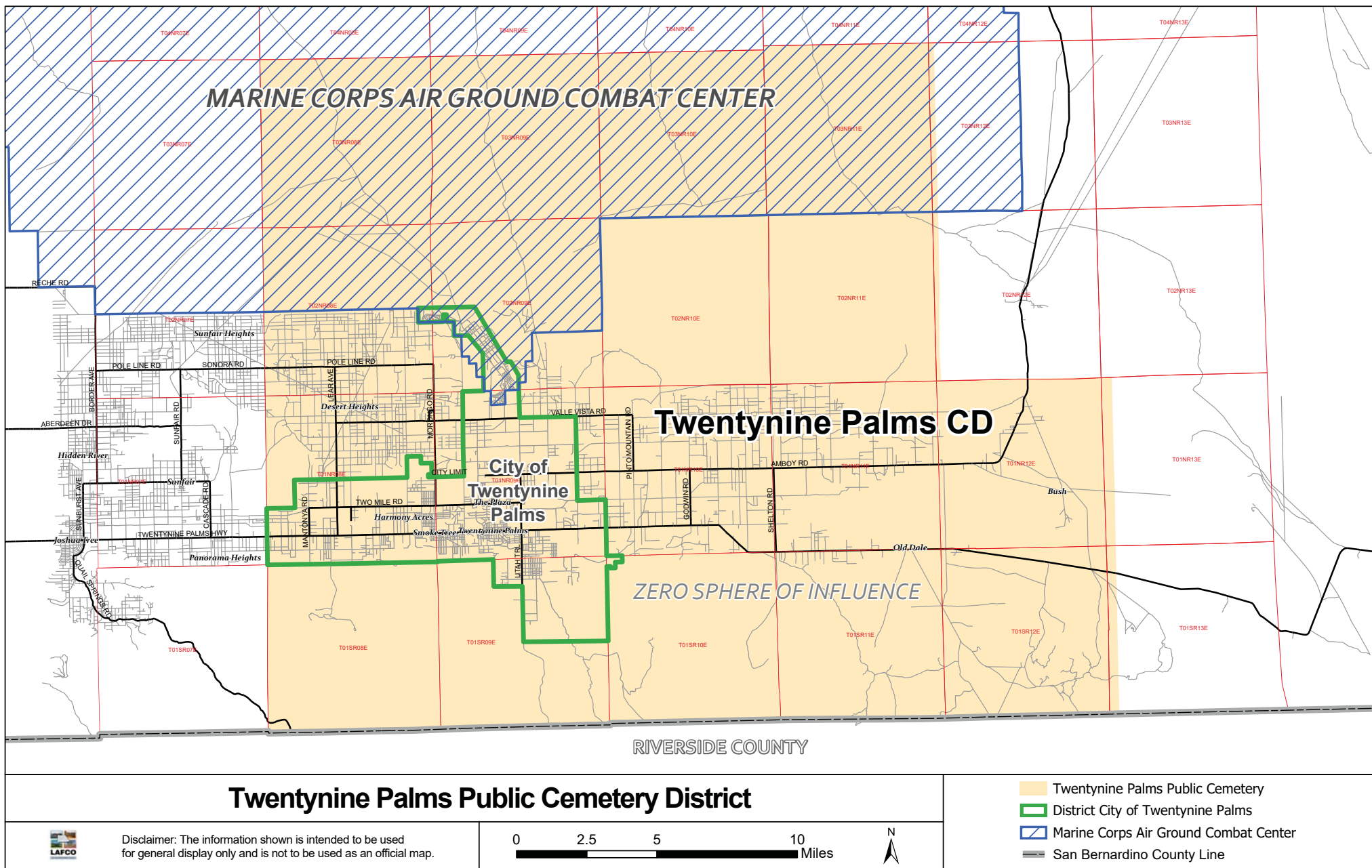
- b. Five most recent audits accepts by the board, of you have not already provided them to LAFCO. [See attached 2019 Financial Statement.](#)
[Limited information regarding cemetery included.](#)
- c. Fee Schedule [Free burials and cemetery plots for locals per Contract with Searless Valley Cemetery Association.](#) [See Attached.](#)
- d. Endowment Policies [No Endowment policy of record.](#)

8. AB 1234 (State Ethics Requirements)

- Does your district have a written policy to compensate board members for attendance at events beyond just board meetings, committee meetings and conferences? [No.](#)
- Does your district have a written policy to reimburse board members for expenses? [Yes.](#)
- Does your district use IRS reimbursement rates or adopt a policy that specifies reasonable reimbursement rates? [Yes, guided by County Policy.](#)
- Are expense report forms provided to board members who require reimbursement? [Yes.](#) Are these completed forms retained on file as public documents? [Yes.](#)
- Do all board members and any board-designated employees take at least two hours of ethics training at least every two years and receive a certificate of completion? [Yes.](#)

Please return this questionnaire and any materials to LAFCO to either:

- LAFCO, 1170 W. Third Street, Unit 150, San Bernardino, CA 92415-0490
- mtuerpe@lafco.sbcounty.gov



1. LAFCO Conclusion and Recommendation

LAFCO concludes that the Twentynine Palms Cemetery District suffers from historical governance and operational challenges resulting in lack of continuity, training, and numerous structural deficiencies due to neglect and maintenance backlog.

LAFCO concludes that since Spring 2020, current district staff have commenced with governance training, general upkeep, correcting structural deficiencies, and health and safety improvements.

LAFCO recommends that the Commission continue to monitor the Twentynine Palms Public Cemetery District, with the first status report scheduled for LAFCO's May 19, 2021 meeting.

2. Overview and Brief History

In 1934, voters approved the formation of the Twentynine Palms Cemetery District to provide cemetery services to Twentynine Palms, Wonder Valley, and outlying areas. The District is an independent special district with a five-member appointed board of trustees and operates under Public Cemetery District Law (Division 8, Part 4 of the Health and Safety Code). The District's boundaries cover approximately 650 square miles and includes portions of the Twentynine Palms Marine Corps Base and Joshua Tree National Park. Currently, the District operates one cemetery located at 5350 Encelia Avenue in Twentynine Palms. The District owns 30 acres, 20 which are developed. According to the District website, there are approximately 4,215 interments.

3. Boundary and Sphere of Influence Review

This review identifies no boundary or sphere of influence matters for the District.

4. Previous Service Review and Other Reports

This agency's first service review from 2012 raised concerns regarding the District's fiscal health, lack of a master plan, and other financial and operational issues.¹ Based on the reasons described in the May 2012 service review, LAFCO designated a zero sphere of influence for the District. Further financial and organizational issues were discovered subsequent to the approval of the service review and a reconsideration of the service review was conducted in November 2012 allowing further public testimony and Commission consideration. The Commission made no change to the District's zero sphere of influence determination.

5. Growth and Population Projections

The District's population is primarily concentrated around central Twentynine Palms, with limited development throughout the remainder of the District area. As shown in Figures 4-1 and 4-2 below, the population estimates for 2012 and 2040 do not identify any significant growth areas.

¹ http://www.sbcounty.gov/lafco/items/201211/Item_7.pdf

Figure 4-1: 2012 Population

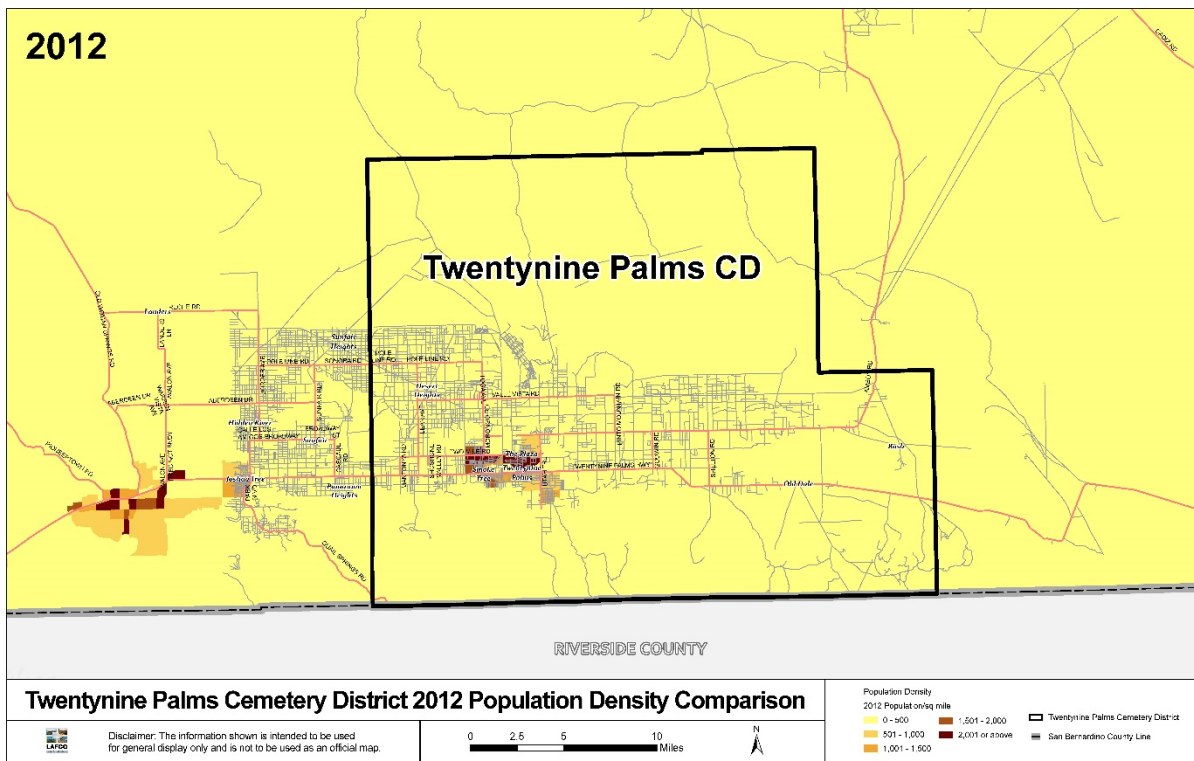
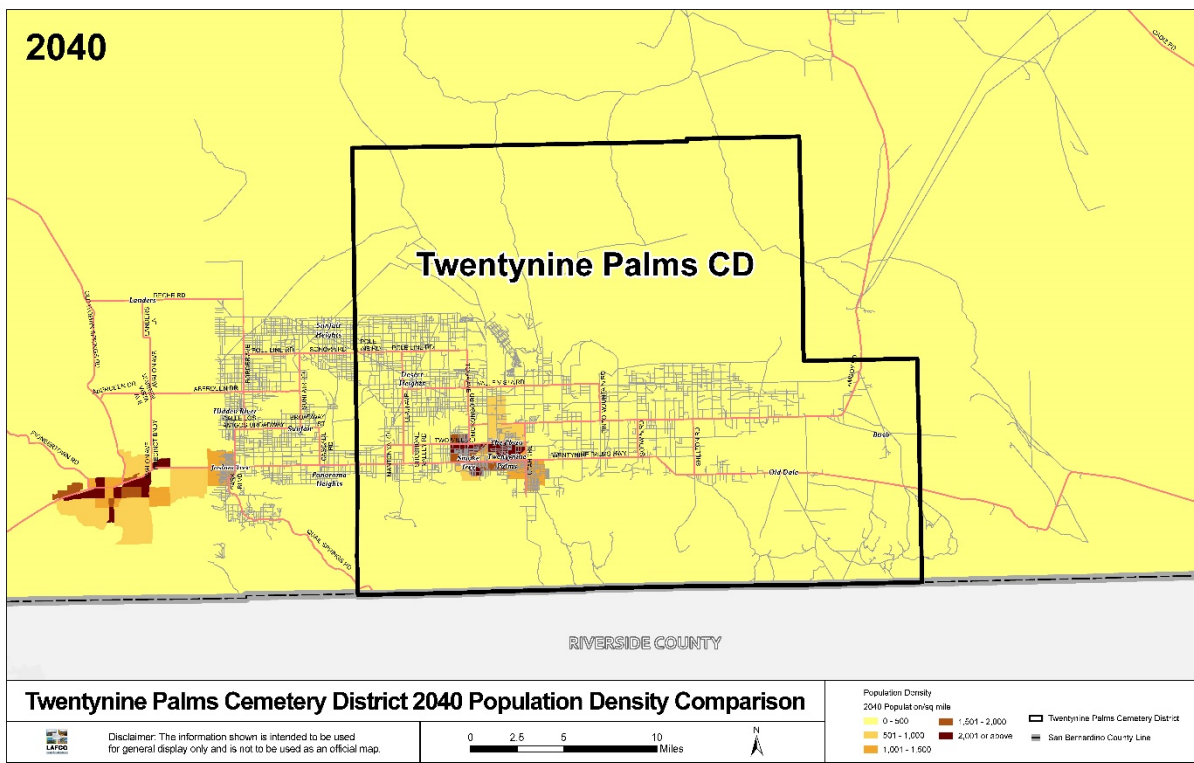


Figure 4-2: 2040 Population

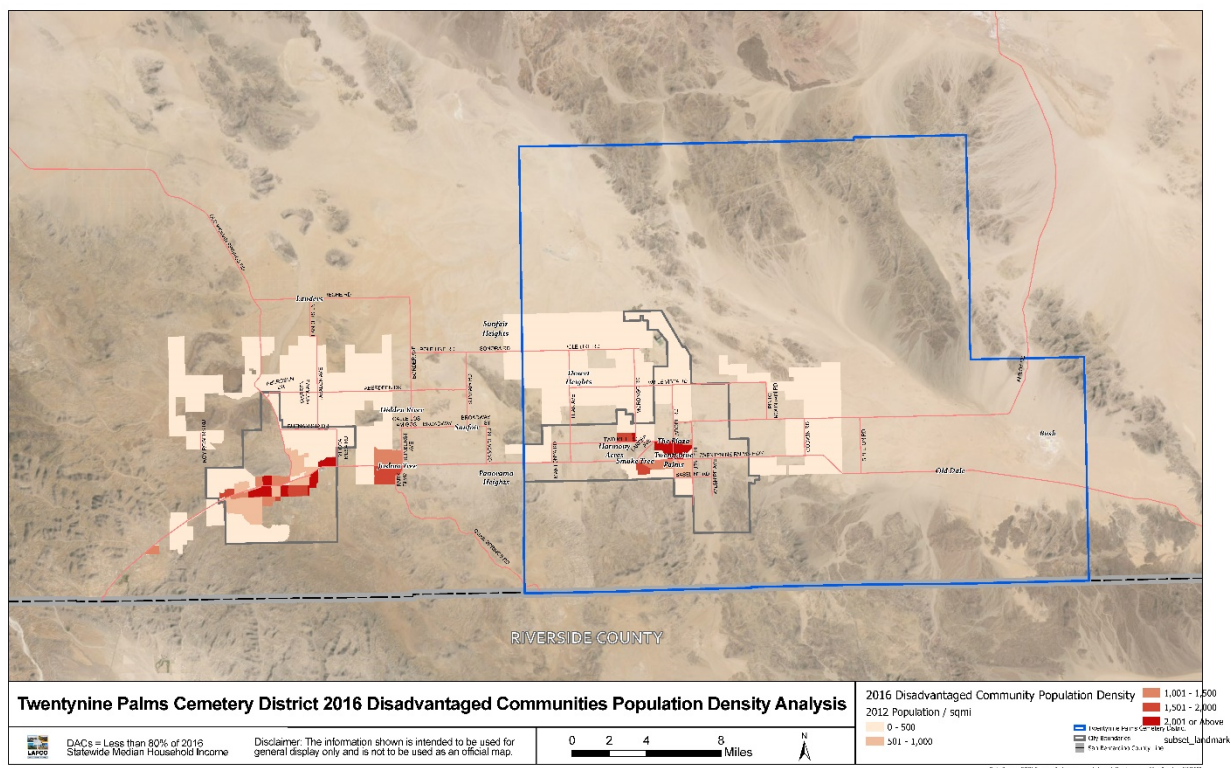


6. Disadvantaged Communities, Location and Characteristics

State law requires various entities (i.e. LAFCO, cities and counties, and water agencies) to, in some manner, identify disadvantaged communities, which can be located in both incorporated and unincorporated areas. More information on the laws and requirements regarding Disadvantaged Communities is available in [Appendix C: Primers](#) to this report.

The figure below identifies the location of the disadvantaged communities with the District overlay in blue outline. For this region, LAFCO uses a density factor of 500 people or more per square mile.

**Figure 4-3:
Disadvantaged Communities with Population Density**



The table below identifies the characteristics of incorporated Disadvantaged Communities with population densities of more than 500 people per square mile.

**Table 4-1:
Characteristics of Disadvantaged Areas within Twentynine Palms Public CD**

Population	7,528	Median Household Income	\$39,633
Households	3,045	Per Capita Income	\$21,424
Median Age	27.8	Unemployment Rate	26.4%

Source: ESRI, August 2020

7. Facilities and Services

The District completed a LAFCO questionnaire regarding governance and operations. The District's response is included at the rear of this agency's profile.

A. Present and Planned Capacity of Public Facilities

The District operates one cemetery located at 5350 Encelia Drive in Twentynine Palms. The grounds cover 30 acres, 20 of which are developed. As of September 24, 2020, the cemetery had:

- 4,215 filled sites
- 629 sold but empty sites
- 2,606 unsold sites

According to the District, internments for the past three years were 29 (2017), 29 (2018) and 23 (2019). At this rate, it would take 112 years for the cemetery to reach capacity, not counting the additional 10 acres of empty land.

B. Adequacy of Public Services

Given the remote nature of the District, as well as the need for internment services, the public service is adequate.

C. Infrastructure Needs and Deficiencies

During a site visit, LAFCO staff noticed deferred maintenance and historical lack of general upkeep. The current staff have commenced with general upkeep, correcting structural deficiencies, and health and safety improvements.

The District irrigates with domestic water and not from a well. Domestic water from the Twentynine Palms Water District is more costly than pumping untreated water from a well.

8. Financial Ability to Provide Services

To make the required service review determination of an agency's financial ability to provide services, LAFCO referenced the agency's own financial documents (audits, budgets). Additionally, LAFCO's Fiscal Indicators Program shows fiscal trends for an agency and allows for an agency comment.²² The information below incorporates all of the information and sources identified above.

A. Overview

Revenues are comprised of service fees, the District's share of the general property tax levy, and interest. The vast majority of the revenues are derived from service

²² <http://sbclafco.org/FiscalIndicators/IndependentDistricts/TwentyninePalmsCemeteryDistrict.aspx>

fees. The District does not offer a defined payment retirement plan to its employees; therefore, it does not have any pension liability.

The most recent audit, FY 2018/19, offers the following highlights:

- The assets of the District exceeded its liabilities at the close of the year by \$593,159. Of this amount, \$104,430 may be used to meet the District's ongoing obligations to citizens and creditors.
- As of the close of the current fiscal year, the District governmental funds reported combined ending fund balances of \$348,384, an increase of \$58,272 in comparison with the prior year.
- At the end of the current year, unreserved fund balance for the general fund was \$99,547 or 45% of the total general fund expenditures.

B. Funds

The District maintains three operating funds with the County Treasury, which are listed below. A local checking account is maintained for depositing cash and monies received until they are transferred to the County Treasury.

- General Fund: for regular income and expenses
- Pre-Need Fund: for the sale of reserve space for future burial
- Endowment Fund: remains in perpetuity, only the interest and gains can be used

General Fund

The fund labeled "General" is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

A trend of operating gains or deficits is a key indicator of the financial health of an agency. The figure below shows the General Fund balance for the period of FY 2013/14 through FY 2018/19. The fund balance has decreased by 29% within five years with Total Revenues increasing by 36% and Total Expenditures increasing by 13%. Expenditures have exceeded revenues annually from at least 2013/14 through 2017/18, resulting in an annual decline in fund balance. However, the Pre-Need Burial Fund receives revenues for burial expenditures and transfers funds to the General Fund for this purpose. Note that in 2015/16, a large capital expense accounts for the deficit for that year. What this reveals is a lack of reserves to cushion necessary capital purchases. Moreover, any unexpected expenses could further challenge the General Fund, prompt service reduction, fee increases, or cause the General Fund to enter into negative territory and result in a running deficit.

**Table 4-2:
General Fund Balance**

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	5 yr Var
REVENUES							
Charges for services	7,627	18,244	19,571	23,464	26,508	53,777	605%
Property taxes	176,768	179,914	183,587	186,353	192,777	197,292	12%
Other	2,680	2,949	11,718	4,858	16,876	3,426	28%
Total Revenue	\$ 187,075	\$ 201,107	\$ 214,876	\$ 214,675	\$ 236,161	\$ 254,495	36%
EXPENDITURES							
Salaries & Benefits	148,949	173,204	186,404	188,507	185,153	154,418	4%
Services & Supplies	23,150	33,695	49,891	51,733	53,474	37,415	62%
Other	21,162	22,283	177,540	18,796	34,266	25,996	23%
Total Expenditures	\$ 193,261	\$ 229,182	\$ 413,835	\$ 259,036	\$ 272,893	\$ 217,829	13%
Revenues less Expend.	(6,186)	(28,075)	(198,959)	(44,361)	(36,732)	36,666	
OTHER FINANCING							
Transfers In	28,646	45,816	143,144	11,924	19,971	9,572	
Fund Balance Begin	118,121	140,581	158,322	102,507	70,070	53,309	-55%
Fund Balance End	\$ 140,581	\$ 158,322	\$ 102,507	\$ 70,070	\$ 53,309	\$ 99,547	-29%

General Fund Liquidity

As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. At the end of FY 2018/19, unreserved fund balance of the General Fund was \$99,547, which is the same as total fund balance. Unassigned fund balance represents a 46 percent of total General Fund expenditures. Therefore, the liquidity of the General Fund is adequate.

The Government Finance Officers Association ("GFOA") currently recommends that regardless of size, general-purpose governments should maintain unreserved fund balance in their General Fund of "no less than two months of regular general fund operating revenues or expenditures." A General Fund balance of a lesser level exposes the General Fund to the risk of not being able to meet cash flow requirements, economic uncertainties, or other financial hardships. As shown on the chart below, the District's unreserved fund balance has exceeded the general rule of more than two months of regular General Fund operating expenditures.

**Table 4-3:
General Fund Liquidity**

General Fund (GF)	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Total GF expenditures	\$ 193,261	\$ 229,182	\$ 413,835	\$ 259,036	\$ 272,893	\$ 217,829
Unreserved GF fund balance (as a % of total expenditures)	140,581 73%	158,322 69%	102,507 25%	70,070 27%	53,309 20%	99,547 46%
Total fund GF balance (as a % of total expenditures)	\$ 140,581 73%	\$ 158,322 69%	\$ 102,507 25%	\$ 70,070 27%	\$ 53,309 20%	\$ 99,547 46%

sources: Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance

Endowment Fund

The District maintains an Endowment Fund which includes monies paid for every interned person to be held as a perpetual endowment. Pursuant to State law, the board of trustees may not spend the principal of the Endowment Fund. However, the principal can be invested in securities and obligations, and the interest and gains may be spent from the investments (§9065(e)). Note that in FY 2015/16, the District made a one-time transfer from the Endowment Fund to the General Fund. The purpose of the transfer was related to capital improvements. The figure below shows the fund balance of the Endowment Care fund for the same time period.

**Table 4-4:
Endowment Fund**

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	5 yr Var
REVENUES							
Charges for services	930	4,315	2,289	5,094	3,775	5,369	477%
Interest & investment	4,036	5,720	3,809	1,827	557	6,665	65%
Total Revenue	\$ 4,966	\$ 10,035	\$ 6,098	\$ 6,921	\$ 4,332	\$ 12,034	142%
EXPENDITURES							
Total Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Revenues less Expend.	4,966	10,035	6,098	6,921	4,332	12,034	142%
OTHER FINANCING							
Other							
Transfers In (Out)	-	-	(138,521)	-	-	-	
Fund Balance Begin	342,972	347,938	357,973	225,550	232,471	236,803	-31%
Fund Balance End	\$ 347,938	\$ 357,973	\$ 225,550	\$ 232,471	\$ 236,803	\$ 248,837	-28%
*Endowment Principal	\$217,322	\$222,196	\$224,935	\$212,812	\$232,524	\$214,563	-1%

sources: Statement of Revenues, Expenditures, and Fund Balances and Balance Sheets

Pre-Need Burial Fund (fiduciary fund)

Fiduciary funds are used to account for assets held by the District as an agent or trustee for individuals, private organizations, other governments and/or other funds. The Pre-Need Burial Fund is a private-purpose trust fund that transfers funds from its earnings to the General Fund to finance burial expenditures.

The District provided information demonstrating adequate tracking of the Pre-Need Burial Fund. This fund experiences an annual increase and appears to be healthy.

**Table 4-5:
Pre-Need Fund**

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	5 yr Var
NET ASSETS							
Unrestricted	2,381						
Restricted	215,929	203,899	217,239	228,905	226,239	232,738	8%
Total net assets	\$ 218,310	\$ 203,899	\$ 217,239	\$ 228,905	\$ 226,239	\$ 232,738	7%
source: Statement of Fiduciary Net Position							

Long-term Debt

The District's long-term debt obligations consist of compensated absences payable. District employees have accumulated unpaid vested benefits of \$2,391 as of June 30, 2019.

C. Capital Outlay

During LAFCO's site visit on September 22, 2020, District staff identified numerous structural deficiencies due to neglect and maintenance backlog. Since Spring 2020, the District has approved a number of capital repairs.

9. Shared Facilities

A. Status of Shared Facilities

The District identified that it does not share facilities with other agencies.

B. Opportunities for Shared Facilities

An opportunity may exist for the District to lease its non-used land to other public agencies. Section 9054 permits a district to use or lease land acquired for future cemetery use to a public agency for recreational use. The District identifies that approximately ten acres are unused at this time.

10. Accountability

A. Board Members

Records show that community interest in board membership historically has been low. An option afforded in Public Cemetery District law is for the board to request through resolution that the County Board of Supervisors reduce board membership from five members to three members (§9020, §9025). In the LAFCO staff's view, limiting membership to three members for such a large geographical area would not promote any oversight efficiencies; a full membership of five members should be sought by the District and the County Board of Supervisors to promote adequate oversight of District affairs and community participation in an important service.

Alternatively, the County Board of Supervisors may appoint itself to be the board of trustees (§9026). Such an action would not require LAFCO approval as it would not be a change of organization, rather the District remains, but the governing body would be different.

B. Internment Records

The District uses a cloud based archive (CemSites) to account and mark its sites. The online system is available to the public via the District's website.

C. Completion and Filing of Financial Documents

The District is current with completion of its financial statements.

D. Policy Manual

The District identifies that it is currently updating its policies and resolutions with the aid of its attorney.

E. Website Transparency

Senate Bill 929 added Government Code §6279.6 and 53087.8 to provide the public easily accessible and accurate information through agency websites. By January 1, 2020, every California independent district is required to maintain a website.

The table, below, is not an exhaustive inventory of website criteria required under current law. Rather, it identifies key components (required by the Government Code and/or recommended by the California Special Districts Association and other organizations) for websites to enhance transparency and accountability.

Government Code Sections 54954.2 and 54957.5 require agencies to post all agendas 72 hours in advance on their websites. Government Code Section 6253 requires that agencies post content most requested by constituents (and most often requested via Public Record Act requests). Because of the difficulty for LAFCO staff to verify this information, these criteria are not included in the website checklist.

However, agencies should address these criteria to comply with current website requirements.

**Table 4-6:
Website Checklist**

Twentynine Palms Public Cemetery District Website Checklist website accessed 9/16/2020 www.29palmscemetery.org			
<i>Required</i>			
		Yes	No
Government Code §53087.8	Agency maintains a website with current contact information? (<i>required for independents special districts by 1/1/2020</i>)	✓	
Government Code §6270.5	Agency has created an Enterprise System Catalog and posted it to website?	✓	
Government Code §54954.2	Agency has current agenda posted to website homepage and is accessible through a prominent, direct link?	✓	
Government Code §53908	Agency's website provides information on compensation of elected officials, officers and employees or has link to State Controller's Government Compensation website?	✓	
<i>The following are recommended for agency websites by a number of governance associations and organizations.</i>			
		Yes	No
Description of Services?		✓	
Service area map?		✓	
Budgets (past 3 years)?		✓	
Board meeting schedule?		✓	
Audits (past 3 years)?		✓	
List of elected officials and terms of office?		✓	
List of key agency staff with contact information?		✓	
Meeting agendas (last six months)?		✓	
Meeting minutes (last six months)?		✓	
Notes:			

11. Government Structure Options

While the discussion of some government structure options may be theoretical, a service review should address possible options. Such options should consider:

- Improving public participation, local accountability, and governance;
- Producing economies of scale and improving buying power in order to reduce service costs;
- Enhancing capital improvement plans;
- Improving the ability to provide and explain budget and financial data; and
- Improving the quality and/or levels of service.

Evaluation of these options should weigh:

- Long-term savings of the change versus related transition costs;
- Cost-benefit of restructuring the current governing body and/or administration to any proposed alternative;
- Impact on operating cost (short and long-term) due to government structure changes; and
- Impact of government structure options on an agency's financial stability.

Structure Options that include LAFCO

1. Consolidate the two independent cemetery districts (Barstow and Twentynine Palms). This option would consolidate the two independent districts under one governing body. Administratively, there could be economies of scale – fewer administrative staff. Operationally, there would not be economies of scale due to the need to house heavy equipment at each location since the distance between cemeteries is roughly 100 miles. For the governing body, an independent district with two zones roughly 100 apart does not lend to local governance. Therefore, this option is not feasible.
2. Combine all public cemeteries (Barstow, Twentynine Palms, Lucerne Valley, and Searles Valley) by forming a County Service Area, governed by the County Board of Supervisors, to function as a single-purpose agency for all public cemeteries. Administratively and operationally, there would be economies of scale, as a single entity would conduct administration and operations. For the governing body, there would be a single body to govern all public cemeteries in the county. However, the two dependent districts (Lucerne Valley and Searles Valley) provide more than one function and separating these functions would reduce the community nature of the current form of governance in these communities. Further, this option would require an election. Therefore, this option is not feasible.

Structure Options that do not include LAFCO

3. Cemetery service to be provided by the City of Twentynine Palms. Current law (Health and Safety Code §8125) authorizes cities to survey, lay out, and dedicate for burial purposes no more than five acres of public lands. The District operates more than five acres. If the City were to succeed to the District's cemetery services, special legislation would need to occur and there is statutory precedent for authorization. In 2008, AB 1932 (Smyth) authorized the City of Simi Valley to operate a cemetery on public lands containing five acres or more. Should the City desire to succeed to the District's services and facilities, special legislation would be required.
4. The County Board of Supervisors may appoint itself to be the board of trustees (§9026). Such an action would not require LAFCO approval as it would not be a change of organization, rather the District remains but the governing body would be different.
5. Outsourcing financial and/or administrative duties. The board of trustees would have to weigh the cost-benefits of outsourcing versus in-house management.

Sources:

Twentynine Palms Cemetery District

Financial Statements

Website. www.29palmscemetery.org. Accessed 16 August 2020

LAFCO

Fiscal Indicators Program

LAFCO 3152 - Service Review and Sphere of Influence Update for the

Twentynine Palms Public Cemetery District

Site Visit 22 September 2020

FINAL DRAFT

Agency Name	TWENTYNINE PALMS PUBLIC CEMETERY DISTRICT
Agency Contact Name	Emily Barry Helm

1. Please provide a roster of board members.

Member Name	Position	Term Expiration
Mary Kay Sherry	Chair	January 2022
Kathleen Arbaczewski	Vice-Chair	January 2022
Rebecca Rinkes	Trustee	January 2024
Jo Ann Larsen	Trustee	January 2024

2. Government Code Section 9028(b) requires the appointment of a Secretary, which may be either a trustee or district employee. Provide the name of the appointee (trustee or employee). Emily Barry Helm, District General Manager

3. If the District has appointed a Finance Director to manage its funds, it must require a bond for that person. If the District has a Finance Director, please confirm that person is bonded. N/A

4. What is the current size (sq. miles) of your district's territory? How much unused land remains for future cemetery use? 15 Miles / Approx. 10 Acres

5. Cemetery Districts are permitted to lease currently unused land which is set aside for future cemetery use. Does your District lease any land to private organizations (e.g. cell phone towers, non-profits) or public agencies (e.g. city, schools) for continual or one-time use? No

6. Has the District adopted policies and procedures, including bidding regulations, governing the purchase of supplies and equipment? We are currently in the process of updating all Policies and Resolutions, with the aid of our Attorney, pertaining to the District.

7. Please provide copies of:

- Most recent budget approved by the board.
- Five most recent audits accepted by the board, if you have not already provided them to LAFCO.
- Fee Schedule
- Endowment Policies

8. AB 1234 (State Ethics Requirements)

FINAL DRAFT

- Does your district have a written policy to compensate board members for attendance at events beyond just board meetings, committee meetings and conferences? No, our Board of Trustees does not receive any compensation.
- Does your district have a written policy to reimburse board members for expenses? I am not aware of this document. If necessary, we will have our Attorney compose a Policy with an appropriate Resolution or if the county has a current Policy that would be specific to San Bernardino's regulations, we will follow their direction.
- Does your district use IRS reimbursement rates or adopt a policy that specifies reasonable reimbursement rates? When applicable, the district uses the most current IRS reimbursement rate.
- Are expense report forms provided to board members who require reimbursement? Are these completed forms retained on file as public documents? I am not aware of this document. If necessary, we will have our Attorney compose a Policy with an appropriate Resolution or if the county has a current Policy that would be specific to San Bernardino's regulations, we will follow their direction.
-
- Do all board members and any board-designated employees take at least two hours of ethics training at least every two years and receive a certificate of completion? The Twentynine Palms Public Cemetery is aware of the requirement of Ethics Training and as of this date 3 Trustees have completed the training and the remaining Trustee and General Manager will have it completed by Sept 15, 2020.

Please return this questionnaire and any materials to LAFCO to either:

- LAFCO, 1170 W. Third Street, Unit 150, San Bernardino, CA 92415-0490
- mtuerpe@lafco.sbcounty.gov

APPENDIX A: Comments to the First Draft and LAFCO Staff Responses

LAFCO provided each agency the opportunity to provide technical review and input to a working copy.

In addition, the Barstow Cemetery District provided comments to the First Draft.

FINAL DRAFT

From: Tuerpe, Michael
To: ["Barstow Cemetery"](#)
Cc: [Martinez, Samuel](#)
Subject: RE: LAFCO First Draft
Date: Monday, November 9, 2020 11:37:00 AM

Melinda,

Thank you for taking the time to review the draft staff report.

Your comments below will be added to the report text and will be included in their entirety as a part of Appendix A (Comments).

Michael Tuerpe

Senior Analyst

Local Agency Formation Commission for San Bernardino County

1170 West Third Street, Unit 150

San Bernardino, CA 92415-0490

(909) 388-0488 Direct

(909) 388-0481 Fax

www.sbclafco.org

CONFIDENTIALITY NOTICE:

This email and any files or attachments transmitted with it may contain privileged or otherwise confidential information. If you are not the intended recipient, or believe that you may have received this communication in error, please advise the sender via reply email and immediately delete the email you received.

From: Barstow Cemetery <barstowcemetery@hotmail.com>

Sent: Friday, November 6, 2020 10:11 AM

To: Tuerpe, Michael <mtuerpe@lafco.sbcounty.gov>

Subject: Re: LAFCO First Draft

Hi Michael,

Since your visit, I have been in touch with CSDA, CAPC and other small special district cemeteries. They are sharing their resources and experience and I am soaking it up.

Last week Barstow Cemetery District's Board of Directors retained legal counsel. Our lawyer will be helping us to update our policies.

We are currently searching for the right financial advisor. Mojave Water Agency has offered their experience and professional resources to implement a plan for significant water reduction along with grounds beautification.

We are now applying for grants to help with other deficiencies. I have attached some of

FINAL DRAFT

the requested documents and will be sending more on Monday.

I want to thank both you and Sam for pointing me in the right direction.

*Thank you,
Melinda*

APPENDIX B: Acronyms and Definitions

Acronyms

BSM	Burial Space Manager
CAFR	Comprehensive Annual Financial Report
CalPERS	California Public Employees Retirement System
CIP	Capital Improvement Plan/Program
CSA	County Service Area
CSD	Community Services District
DAC	Disadvantaged Community
DUC	Disadvantaged Unincorporated Community
FY	Fiscal Year
GIS	Geographic Information System
LAFCO	Local Agency Formation Commission
MSR	Municipal Service Review
NPL	Net Pension Liability
OPEB	Other Post-Employment Benefits
PEPRA	Public Employees Pension Reform Act
SBCERA	San Bernardino County Employees' Retirement Association
SOI	Sphere of Influence
UAL	Unfunded Accrued Liability

Definitions

Capital Improvement Plan/Program – A capital improvement plan or program is a short range plan, usually five to ten years, which identifies capital projects and equipment purchases, provides a planning schedule and identifies options for financing the plan.

Dependent Special District – A special district whose board of directors is another legislative body, such as a city council or board of supervisors.

Fiduciary Fund – A fund used to account for assets held by the District in a trustee or agency capacity that cannot be used to support the District's own programs. The Pre-Need Burial Fund is a private-purpose trust fund which transfers funds from its earnings to the general fund to finance burial expenditures.

Governmental Fund – A fund used to account for activities that are governmental in nature. Governmental activities are typically tax-supported and include the operations and maintenance of the cemetery.

Independent Special District – A special district that has a directly elected board of directors.

Other Post-Employment Benefits - Benefits (other than pensions) that are provided to retired employees. These benefits principally involve health care benefits, but may also include life insurance, disability, legal and other services.

Pre-Need Burial Fund - The Pre-Need Burial Fund is a private-purpose trust (fiduciary) fund which transfers funds from its earnings to the general fund to finance burial expenditures.

Special District – A local government agency formed pursuant to general law of the state or special act.

Sphere of Influence – A plan for the probable physical boundary and service area of a local agency.

Subsidiary District – A district of limited powers for which a city council is designated as the ex-officio board of directors of the district. At least 70 percent of district territory and 70 percent of the district's registered voters must be within the city limits for a district to become a subsidiary district.

APPENDIX C: Primers

Disadvantaged Communities

Pension Liability and Contributions

Spheres of Influence

Disadvantaged Communities

The State of California adopted a definition of disadvantaged community (or “DAC”) through passage of Proposition 50, the Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002. This measure added §79505.5(a) to the California Water Code and defines a disadvantaged community as a *“community with an annual median household income that is less than 80 percent of the statewide annual median household income.”*¹ For 2016, 80% of the statewide median household income is \$50,043.¹ State law requires various entities (i.e. LAFCO, cities and counties, and water agencies) to, in some manner, identify disadvantaged communities, which can be located in both incorporated and unincorporated areas.

Disadvantaged Unincorporated Communities

Gov. Code §56033.5 defines DUCs as *“...inhabited territory [12 or more registered voters]...or as determined by Commission policy, that constitutes all or a portion of a “disadvantaged community”... with less than 80% of the median household income.*

Particular to LAFCOs, the state mandate is to identify the location and characteristics of disadvantaged unincorporated communities (or “DUCs”). Gov. Code §56375 specifically prohibits an annexation to a city of any territory greater than ten acres where there exists a disadvantaged unincorporated community that is contiguous to the area of proposed annexation unless an application to annex the entire disadvantaged unincorporated community has also been filed.

Need for Consistency

The DAC definition, as defined in Water Code §79505.5(a), differs from the definition of a DUC in two important ways: (1) a DUC must be inhabited, and (2) DUCs comprise unincorporated territory only, not territory within cities. For purposes of further defining a DUC, San Bernardino LAFCO policy defines a community as an *inhabited area comprising no less than 10 dwelling units adjacent or in close proximity to one another.*

Alternatively, Gov. Code §65302.10 (General Plans) identifies a DUC as being 80% or less than the median household income. This is in contrast to Water Code §79505.5 and Gov. Code §56033.5 which reads less than 80%.

Other State agencies, such as the California EPA, use alternative criteria to identify disadvantaged communities for grant funding purposes. The different criteria used to identify disadvantaged communities at the local and state government levels is confusing and complicates implementation of a consistent approach to addressing our disadvantaged residents. While staff recognizes the difficulty in developing a one-size-fits-all definition, LAFCO staff’s position is that additional work should occur Statewide to develop a method for identifying disadvantaged communities that is more consistent yet recognizes the diversity of communities and geographies in California.

¹ Environmental Systems Research Institute (ESRI)

Pensions – Liability and Contributions

Public agencies can belong to the California State Public Employees Retirement System (“CalPERS”). This plan experienced lower than projected earnings combined with investment losses during the recession. This increased each member agency’s Unfunded Actuarial Liability (“UAL”)², which in turn increased employer contribution rates and UAL payments.

With the recent adoption of amortization and smoothing policy changes by the CalPERS Board to address the severity of the underfunding, significant employer contribution rate increases have already begun. A League of California Cities 2018 study states that, “Rising pension costs will require cities over the next seven years to nearly double the percentage of their general fund dollars they pay to CalPERS. For many cities, pension costs will dramatically increase to unsustainable levels.”³ The 2018 study also revealed that increasing pension costs as a percentage of General Fund spending would affect cities more than the state.

Many factors determine an agency’s long-term fiscal health, but an important element is developing and articulating clear fiscal policies. Such policies will help mitigate fiscal crisis and allow for a prudent response. The important thing is not the size of the liability, as the monthly payments and the agency’s ability to make those payments given their resources.

In July 2020, CalPERS, the nation’s largest pension trust fund, issued actuarial reports for each agency plan that identifies annual contributions that participating agencies must make to CalPERS through FY 2026-27. The minimum required employer contribution includes two components:

- **Normal Cost %** - this represents the annual cost of service accrual for the upcoming fiscal year, for active employees. Normal cost is shown as a percentage of payroll and paid as part of the payroll reporting process. This cost is often divided between the employer and its employees.
- **Unfunded Accrued Liability (“UAL”) Payment** – this represents the amortized dollar amount needed to fund past service credit earned (or accrued) for members who are currently receiving benefits, active members, and for members entitled to deferred benefits.

CalPERS saw its trust fund plummet in value during the Great Recession as its pension obligations mushroomed, leaving it with only slightly more than 70 percent of the assets needed to satisfy promised pensions. To reduce its unfunded liability, CalPERS has been ramping up mandatory payments from local governments. Agencies that employ

² Colloquially, the phrase “unfunded liabilities” is interchangeable with “unfunded actuarially accrued liabilities” (UAAL), “unfunded actuarial liability” (UAL), or “net pension liability” (NPL).

³ League of California Cities. League of California Cities Retirement System Sustainability Study and Findings. January 2018.

large numbers of police officer and firefighters are hit hardest because they have the highest pensions and therefore the highest pension costs.

PEPRA

The Public Employees' Pension Reform Act of 2013 ("PEPRA") became effective on January 1, 2013. CalPERS expects employer rates to stop growing around 2024 as more new employees are hired with lower pensions under PEPRA.

EFFECTS ON SERVICE DELIVERY

The annual CalPERS *Funding Levels and Risks Review*, clearly states that the ability of local government employers to pay their annual pension costs is a primary concern. The report states, "The greatest risk to the system continues to be the ability of employers to make their required contributions."⁴

Throughout California, the rapidly escalating pension obligations are pushing some agencies to the brink of insolvency, forcing them to slash spending for not only safety services but other municipal services as well. To close budget gaps, a proliferation of sales tax ballot measures have been presented to voters throughout California with mixed results. Land use planning has also been impacted as agencies look to promote development that maximizes property tax and/or sales tax revenues. Unfortunately, as the figures indicate, the squeeze will tighten.

Whereas any agency may be cash solvent, budget solvent, and long-run solvent, it may not be service-level solvent. Service level solvency is the ability of an agency to fund the services at levels that its citizens desire. An agency may appear to be financially solvent, but it may not be able to support general activities at an adequate level. An increase in service level or large expense would affect cash, budget, or long-run solvency.

Increasing pension payments as a percentage of general fund spending will affect an agency's ability to fund operations and capital investment of all general fund activities, to include but not limited to fire protection, emergency medical services, law enforcement, park and recreation, streetlighting, roads, social services, etc.... In other words, increasing pension and OPEB payments affect service level solvency.

⁴ California Public Employees' Retirement System. *2019 Annual Review of Funding Levels and Risks*. November 2019. https://www.calpers.ca.gov/docs/board-agendas/201911/financeadmin/item-7a-01_a.pdf

Spheres of Influence

Government Code Section 56076 defines a "sphere of influence" as a plan for the probable physical boundaries and service area of a local agency, as determined by LAFCO.

The purpose of a sphere of influence is to encourage the logical and orderly development and coordination of local government agencies to provide for the present and future needs of the county and its communities. The statement of purpose adopted by San Bernardino LAFCO for spheres of influence include seven points. Those pertinent to this study are:

- To promote orderly growth of communities, whether or not services are provided by a city or district (board governed or independently governed);
- To encourage economical use and extension of facilities by assisting governmental agencies in planning the logical and economical extension of governmental facilities and services, thereby avoiding duplication of services;
- To provide assistance to property owners in relating to the proper agency to comprehensively plan for the use of their property;
- To encourage the establishment of urban-type services only within an adopted sphere of influence.

San Bernardino LAFCO has adopted ten polices related to a sphere of influence. Those pertinent to this analysis are:

- **RESPONSIBILITY/OBLIGATION FOR A SPHERE OF INFLUENCE AREA**

When a sphere of influence is assigned, a city or district is required to commence long range land use and service planning activities, thereby enabling it to respond to any annexation requests it might receive from landowners or residents within the sphere. By accepting a sphere of influence, a city or district agrees to plan for the provision of services.

- **URBAN DEVELOPMENT WITHIN A CITY SPHERE**

LAFCO takes the position that any new urban development which occurs within a city sphere of influence should take place as close to the city's urban area as possible. This position is emphasized for two reasons: first, so that contiguous areas may easily be annexed to the city; and secondly, so that the new urban area can be served by reasonable extension of the city's already developed municipal services.

Environmental Recommendation from Tom Dodson

Attachment 2

TOM DODSON & ASSOCIATES

Mailing Address: PO Box 2307, San Bernardino, CA 92406

Physical Address: 2150 N. Arrowhead Avenue, San Bernardino, CA 92405

Tel: (909) 882-3612 ♦ **Fax:** (909) 882-7015 ♦ **Email:** tda@tdaenv.com



November 9, 2020

Mr. Samuel Martinez
Local Agency Formation Commission
1170 W 3rd Street, Unit 150
San Bernardino, CA 92415-0490

Dear Sam:

The Local Agency Formation Commission (LAFCO) is proceeding with a County-wide review of certain service providers. The service review being considered by LAFCO at this time is a Countywide Service Review for Public Cemetery Districts (LAFCO 3245). Thus, this service review environmental evaluation addresses the findings in the Staff review document that has been submitted to the Commission as a “receive and file” report. It is not essential that an environmental determination be rendered for an action that will not modify the physical environment, but in an abundance of caution we are providing this environmental review to verify to the Commission and the interested public that the Commission’s action on this County-wide service review is not subject to review under the California Environmental Quality Act (CEQA).

As we have learned from the previous service reviews, the retention of existing services, which focuses on existing services provided by individual public agencies, does not by itself cause any modifications to the physical environment. Only when the subsequent step is taken to physically revise the jurisdictional boundary or the range of services of a service provider does a potential for physical change in the environment occur. Based on the preceding assumption, and the fact that the receipt and filing of the County-wide Service Review for Public Cemetery Districts by LAFCO does not authorize any activities that could cause physical changes in the environment (even when it is County-wide), I recommend that the Commission notice LAFCO 3245 as Exempt under the “Common Sense” CEQA Exemption.

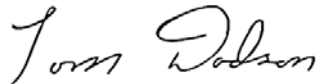
Therefore, based on the lack of adverse impacts from receiving and filing the service review for County Public Cemetery Districts, I recommend that the Commission find that an Exemption (as defined in CEQA) applies to this action under the CEQA “Common Sense” Rule (Section 15061 (b) (3) of the State CEQA Guidelines), which states: *“A project is exempt from CEQA if the activity is covered by the common sense exemption that CEQA applies only to projects which have the potential for causing 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.”* It is my opinion, and recommendation to the Commission, that this circumstance applies to the Commission’s action for the County-wide Service Review for Public Cemetery Districts.

In this case, receipt and filing of the service scope for the Public Cemetery Districts of the County does not alter the existing operations or obligations of any District and does not adversely affect any existing physical facilities. Based on this review of the County-wide Service Review for Public Cemetery Districts and the pertinent sections of CEQA and the State CEQA Guidelines, I conclude that the approval of LAFCO 3245 does not constitute a project under CEQA and adoption of an Exemption and filing of a Notice of Exemption is the most appropriate determination

to comply with CEQA for this action. The Commission can approve the review and findings for this action and I recommend that you notice this action as Exempt from CEQA for the reasons outlined in the State CEQA Guideline section cited above. The Commission needs to file a Notice of Exemption (NOE) with the County Clerk to the Board for this action once the Commission action is completed.

A copy of this memorandum and the NOE should be retained in LAFCO's project file to serve as verification of this evaluation and as the CEQA environmental determination record. If you have any questions, please feel free to give me a call.

Best Regards,

A handwritten signature in black ink that reads "Tom Dodson". The signature is written in a cursive, flowing style.

Tom Dodson

TD/cmc

LA-3245 Service Review Memo

Draft Resolution No. 3319

Attachment 3

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

1170 West Third Street, Unit 150, San Bernardino, CA 92415-0490
(909) 388-0480 • Fax (909) 388-0481
lafco@lafco.sbcounty.gov
www.sbclafco.org

PROPOSAL NO.: LAFCO 3245

HEARING DATE: NOVEMBER 18, 2020

RESOLUTION NO. 3319

A RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY MAKING DETERMINATIONS ON LAFCO 3245 – COUNTYWIDE SERVICE REVIEW FOR PUBLIC CEMETERY DISTRICTS.

On motion of Commissioner ____, duly seconded by Commissioner ____, and carried, the Local Agency Formation Commission adopts the following resolution:

WHEREAS, a service review mandated by Government Code 56430 has been conducted by the Local Agency Formation Commission for San Bernardino County (hereinafter referred to as “the Commission”) in accordance with the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Sections 56000 et seq.); and,

WHEREAS, at the times and in the form and manner provided by law, the Executive Officer has given notice of the public hearing by the Commission on this matter; and,

WHEREAS, the Executive Officer has reviewed available information and prepared a report including his recommendations thereon, the filings and report and related information having been presented to and considered by this Commission; and,

WHEREAS, a public hearing by this Commission was called for November 18, 2020 at the time and place specified in the notice of public hearing and in any order or orders continuing the hearing; and,

WHEREAS, at the hearing, this Commission heard and received all oral and written support and opposition; the Commission considered all objections and evidence which were made, presented, or filed; and all persons present were given an opportunity to hear and be heard in respect to any matter relating to the service review, in evidence presented at the hearing; and,

WHEREAS, at this hearing, this Commission certified that the service review is exempt from environmental review pursuant to the provisions of the California Environmental Quality Act (CEQA) and such exemption was adopted by this Commission on November 18, 2020. The Commission directed its Executive Officer to file a Notice of Exemption within five working days of its adoption; and,

WHEREAS, the determinations required by Government Code Section 56430 and local

RESOLUTION NO. 3319

Commission policy are included in the service review prepared and submitted to the Commission dated November 11, 2020 and was recommended for acceptance and filing by the Commission on November 18, 2020, a complete copy the service review is on file in the LAFCO office.

WHEREAS, the following additional determinations are made in conformance with the Government Code and local Commission policy:

- As required by State Law, notice of the hearing was provided through publication in newspapers of general circulation within the area, *The Sun* and *The Leader*. Individual notice was not provided as allowed under Government Code Section 56157 as such mailing would include more than 1,000 individual notices. As outlined in State Law and Commission Policy, in-lieu of individual notice the notice of hearing publication was provided through an eighth page legal ad.
- As required by State law, individual notification of the hearing was provided to affected and interested agencies, County departments, and those agencies and individuals requesting mailed notice.
- A first draft of the service review document was released to all affected agencies on November 4, 2020.
- The final draft of the service review was released on November 10, 2020 to all parties as well as the Commission and posted on the LAFCO website.
- Comments from the public and any affected agency were reviewed and considered by the Commission in making its determinations.

NOW, THEREFORE, BE IT RESOLVED by the Local Agency Formation Commission for San Bernardino County, State of California, that this Commission shall:

1. For environmental review, certify that the service review is exempt from environmental review and direct the Executive Officer to file the Notice of Exemption within five (5) days.
2. Accept and file the Countywide Service Review for Public Cemetery Districts which sets forth the written statements for the six determinations outlined in Government Code Section 56430 made by the Commission.
3. As outlined in the service review presented to the Commission, take the following actions for specific agencies/entities:
 - a) Direct LAFCO staff to continue to monitor the Barstow Cemetery District and return to the Commission at its May 19, 2021 meeting.
 - b) Direct LAFCO staff to continue to monitor the Twentynine Palms Public Cemetery District and return to the Commission at its May 19, 2021 meeting.

THIS ACTION APPROVED AND ADOPTED by the Local Agency Formation Commission for San Bernardino County by the following vote:

RESOLUTION NO. 3319

AYES: COMMISSIONERS:

NOES: COMMISSIONERS:

ABSENT: COMMISSIONERS:

STATE OF CALIFORNIA)
) ss.
COUNTY OF SAN BERNARDINO)


I, SAMUEL MARTINEZ, Executive Officer of the Local Agency Formation Commission for San Bernardino County, California, do hereby certify this record to be a full, true, and correct copy of the action taken by said Commission, by vote of the members present, as the same appears in the Official Minutes of said Commission at its meeting of November 18, 2020.

DATED:

SAMUEL MARTINEZ
Executive Officer

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

1170 West Third Street, Unit 150, San Bernardino, CA 92415-0490
(909) 388-0480 • Fax (909) 388-0481
lafco@lafco.sbcounty.gov
www.sbclafco.org

DATE: NOVEMBER 10, 2020 
FROM: SAMUEL MARTINEZ, Executive Officer
MICHAEL TUERPE, Senior Analyst
TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: Agenda Item #7: LAFCO SC#454 – Request for Exemption from Provisions of Government Code Section 56133 for Agreement between Big Bear City Community Services District and the City of Big Bear Lake Department of Water and Power for Water Service

RECOMMENDATION:

Staff recommends that the Commission:

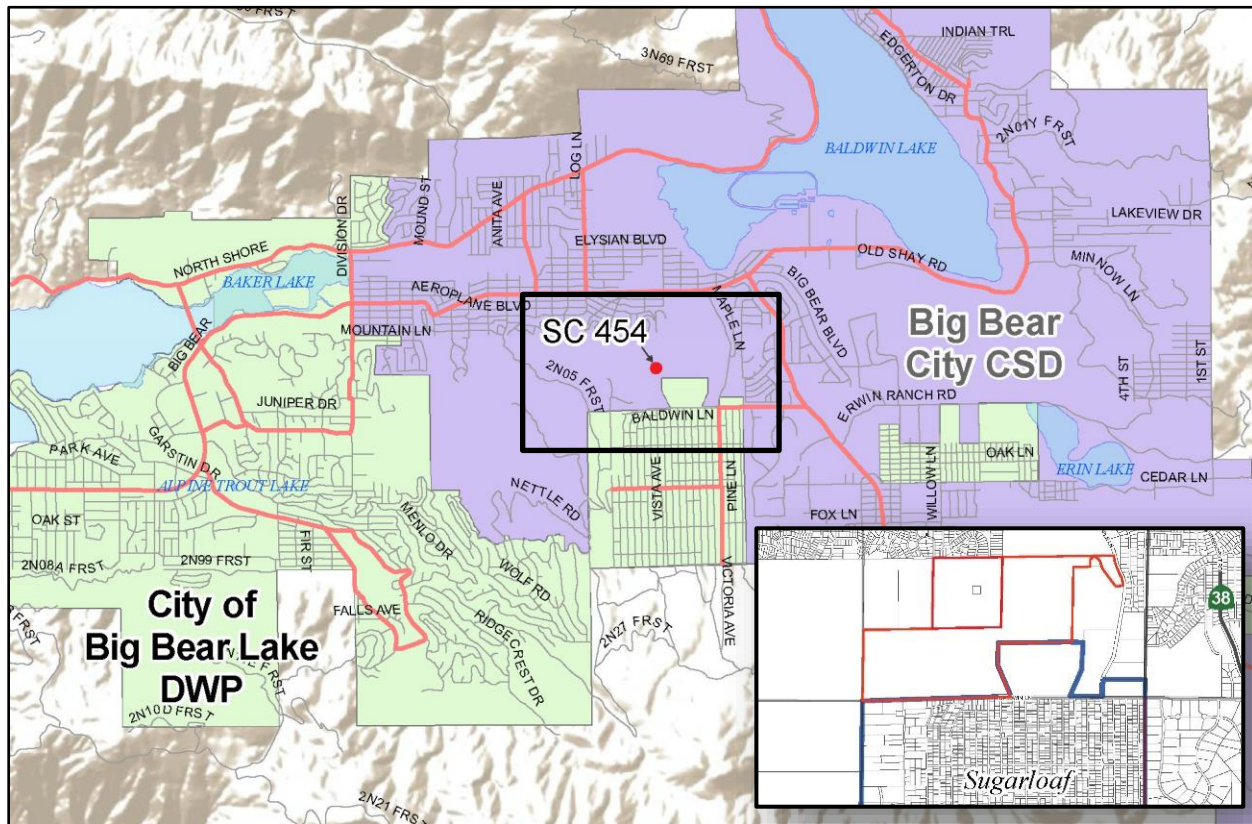
Determine that LAFCO SC#454 complies with the exemption provisions outlined within Government Code Section 56133 (e) and, therefore, does not require Commission approval.

BACKGROUND:

The City of Big Bear Lake Department of Water and Power (“DWP”) submitted a letter dated September 22, 2020 requesting the Commission determine that the proposed agreement between the DWP and the Big Bear City Community Services District (“CSD”) is exempt from the provisions of Government Code Section 56133 as outlined in Subsection (e). Per the Commission’s policy, this is being presented to the Commission since the exemption request is development-related.

The agreement is for the DWP to provide water service to portions of parcels, Assessor Parcel Numbers 0312-311-25 and 0312-321-05, which are developing as sports fields known as Maple Hill Fields. The parcels, which are properties of the Bear Valley Unified School District, are located adjacent to the Baldwin Lane Elementary School located north of Baldwin Lane (44450 Baldwin Lane) within the CSD’s boundary. The Maple Hill Fields is a public recreational facility with soccer and baseball/softball fields. According

to the materials provided by DWP, the contract with CSD is necessary because the CSD's nearest waterline is approximately 1,700 linear feet east of the proposed fields whereas the DWP already provides water service to the Baldwin Lane Elementary School and has an existing 6-inch water main in Baldwin Lane.



A copy of the exemption request letter (Attachment #1) and signed agreement (Attachment #2) are included as a part of this report.

The request has cited the relevant exemption language within Government Code Section 56133 (e) for its request. The section reads as follows:

“(e) This section does not apply to... ..[t]wo or more public agencies where the public service to be provided is an alternative to, or substitute for, public services already being provided by an existing public service provider and where the level of service to be provided is consistent with the level of service contemplated by the existing service provider.”

In the present case, staff believes that the exemption outlined above is based on the following facts:

1. The agreement is between the CSD and DWP, both of which are public agencies.
2. The public service to be provided is water service, which both agencies actively provide. Therefore, this is a substitute for public services currently being provided in compliance with requirements of 56133 (e).
3. The level of service to be provided by the DWP through this contractual relationship is consistent with the level of service currently provided by the CSD.

Note that the agreement to provide water service by the DWP only applies to the Maple Hill Fields portion of the parcels.

CONCLUSION:

Based on the determinations outlined above, staff recommends that the Commission determine that pursuant to Government Code Section 56133 (e), the water service agreement between the City of Big Bear Lake Department of Water and Power and the Big Bear City Community Services District is exempt from further review and approval by the Commission.

Attachments:

1. [LAFCO SC#454 Request for Exemption dated September 22, 2020](#)
2. [Copy of Agreement for Service between the City's DWP and Big Bear City CSD](#)

LAFCO SC#454
Request for Exemption
dated September 22, 2020

Attachment 1

DEPARTMENT OF WATER



Service, Quality, Community

RECEIVED
2020 SEP 30 AM 10:03
LOCAL AGENCY
FORMATION COMMISSION

September 22, 2020

Samuel Martinez, Executive Officer
Local Agency Formation Commission
1170 West Third Street, Unit 150
San Bernardino, CA 92415-0490

REQUEST FOR EXEMPTION – PARCEL NUMBER APN 0312-311-025

Dear Sam,

The City of Big Bear Lake Department of Water and Power (DWP) has negotiated an Outside Service Agreement for Potable Water Services (Agreement) with Big Bear City Community Services District (CSD) to provide potable water service to the development known as Maple Hill Fields, located outside the northwest corner of Baldwin Lane Elementary School. The Agreement is necessary because CSD's nearest mainline is approximately 1,700 linear feet east of the proposed fields. It is cost prohibitive for the developer of the proposed public recreational facility to construct a mainline extension to CSD's facilities. DWP provides water service to Baldwin Lane Elementary School and has a watermain within Baldwin Lane right-of-way.

The DWP hereby requests that the Local Agency Formation Commission (LAFCO) determine that the Agreement between the DWP and CSD is exempt from the provisions of Government Code Section 56133 as allowed under subsection (e), for the following reasons:

1. The Agreement for potable water services is between the DWP and CSD, both public agencies;
2. The public service to be provided is an alternative to, or substitute for, public services already being provided by an existing service provider; and,
3. The level of service to be provided is consistent with the level of service contemplated by the existing service provider.

Enclosed with this request for exemption is a copy of the Agreement. As we discussed, the matter should be scheduled for the November LAFCO for San Bernardino County agenda.

Thank you for your assistance with this matter.

Sincerely,

Reginald A. Lamson,
General Manager

**Copy of Agreement for Service
between the City's DWP and
Big Bear City CSD**

Attachment 2

OUTSIDE SERVICE AGREEMENT FOR POTABLE WATER SERVICES

This Outside Service Agreement to provide potable water service to the development known as Maple Hill Fields, located outside the northwest corner of Baldwin Lane Elementary School in the Sugarloaf area ("Agreement") is executed this 21st day of September, 2020, by and between Big Bear City Community Services District (CSD) and City of Big Bear Lake, Department of Water and Power (DWP), as follows:

RECITALS

A. The DWP is a department of the City of Big Bear Lake, a municipality of the State of California governed by its own charter. The charter for the City of Big Bear Lake provides the DWP with the power and duty to operate and maintain works and property for the purpose of supplying its inhabitants with water, and to hold in the name of the City any and all property within and without the City that may be necessary or convenient for such purpose.

B. CSD is a community services district formed by the County of San Bernardino, California, for the purpose of serving their customers with clean and safe water, and to provide collection of solid waste and wastewater within the area of Big Bear City, including the Sugarloaf area where the Maple Hill Fields will be located.

C. The Maple Hill Fields will be the site of proposed soccer and softball fields. The proposed fields will require potable water services.

D. The DWP operates potable water facilities located outside the City limits of the City of Big Bear Lake, including facilities located within the Sugarloaf area. DWP's potable water facilities are adjacent to the proposed Maple Hill Fields. The DWP provides potable water service to Baldwin Lane Elementary School and has a watermain within Baldwin Lane right-of-way

E. CSD has the jurisdictional authority to provide potable water services to the Maple Hill Fields. CSD currently does not have potable water facilities for the Maple Hill Fields and it would not be economical for the CSD to provide potable water service to the proposed fields. According to CSD, their nearest mainline is approximately 1,700 liner feet east of the proposed fields. The proposed field layout is identified on Exhibit A attached hereto.

F. The DWP has filed an exemption request with the Local Agency Formation Commission for San Bernardino County ("LAFCO") to provide potable water services to the Maple Hill Fields, identified on Exhibit A. CSD is agreeable for the DWP to provide potable water services to the Maple Hill Fields. DWP has agreed to provide such services for the compensation and pursuant to the terms hereinafter set forth.

G. This agreement only applies to the provision of water service to the Maple Hill Fields, and not for water services that may be provided to any other portion of the parcel upon which the Maple Hill Fields is located that is not used for recreational uses.

TERMS

1. Potable Water Services. DWP agrees to provide potable water services for the Maple Hill Fields in the same manner and to the same extent that such services are currently being provided for DWP's Big Bear Service Area, for the term of this Agreement.

2. Compensation. DWP will be compensated for said potable water services in compliance with its Commercial Rate Schedule. The Maple Hill Fields developer will be responsible for construction of the on-site and off-site potable water facilities required to serve the proposed fields.

3. Payment. The property owner of the Maple Hill Fields will be responsible to pay DWP the required capacity fees, meter installation fees and water service fees.

4. Term. The term of this Agreement shall commence upon the effective date of LAFCO's approval of DWP's exemption request to provide potable water service outside of their service area, and shall continue for a period of twenty (20) years from the effective date. However, CSD and the DWP shall each have the right to terminate this Agreement, with or without cause, upon ninety (90) days' written notice to the other party. If at the end of the twenty year term, this Agreement has not been terminated by either Party by giving to the other written notice of an intention to terminate it at least three (3) months prior to the end of such term, this Agreement shall continue in force upon the same terms and conditions for a further term of one (1) year and for one (1) year terms thereafter until terminated by either Party by giving to the other written notice of its intention to so terminate at least three (3) months prior to the end of such term.

5. Disputes. Should a dispute arise regarding the interpretation, application or enforcement of this Agreement, the parties hereto agree to meet and utilize good faith efforts to resolve the dispute amicably, through negotiated settlement. In the event that such efforts are unsuccessful and legal action on this Agreement is initiated by either party against the other, each party, regardless of whether a party is the prevailing party in such action, shall bear its own costs and reasonable attorneys' fees.

6. CSD agrees to indemnify, defend (with counsel reasonably approved by DWP) and hold harmless DWP and its authorized officers, employees, agents and volunteers from any and all claims, actions, losses, damages, and/or liability arising out of this Agreement from any cause whatsoever, including CSD's acts, errors or omissions of any person and for any costs or expenses incurred by DWP on account of any claim except where such indemnification is prohibited by law. This indemnification provision shall apply regardless of the existence or degree of fault of indemnitees. CSD's indemnification obligation applies to DWP's "active" as well as "passive" negligence but does not apply to DWP's "sole negligence" or "willful misconduct" within the meaning of Civil Code Section 2782.

DWP agrees to indemnify, defend (with counsel reasonably approved by CSD) and hold harmless CSD and its authorized officers, employees, agents and volunteers from any and all claims, actions, losses, damages, and/or liability arising out of this Agreement from any cause whatsoever, including DWP's acts, errors or omissions of any person and for any costs or expenses incurred by CSD on account of any claim except where such indemnification is

prohibited by law. This indemnification provision shall apply regardless of the existence or degree of fault of indemnitees. DWP's indemnification obligation applies to CSD's "active" as well as "passive" negligence but does not apply to CSD's "sole negligence" or "willful misconduct" within the meaning of Civil Code Section 2782.

In the event the both parties are found to be comparatively at fault for any claim, action, loss or damage which results from their respective obligations under the Agreement, the parties shall indemnify the other to the extent of its comparative fault. In the event of litigation arising from this Agreement, each party to the Agreement shall bear its own costs, including attorney fees.

7. CSD and DWP are authorized self-insured public entities for purposes of Professional Liability, General Liability, Automobile Liability and Workers' Compensation and warrant that through their respective programs of self-insurance, they have adequate coverage or resources to protect against liabilities arising out of the performance of the terms, conditions or obligations of this agreement.

IN WITNESS WHEREOF the parties have executed this Agreement on the date set forth above.

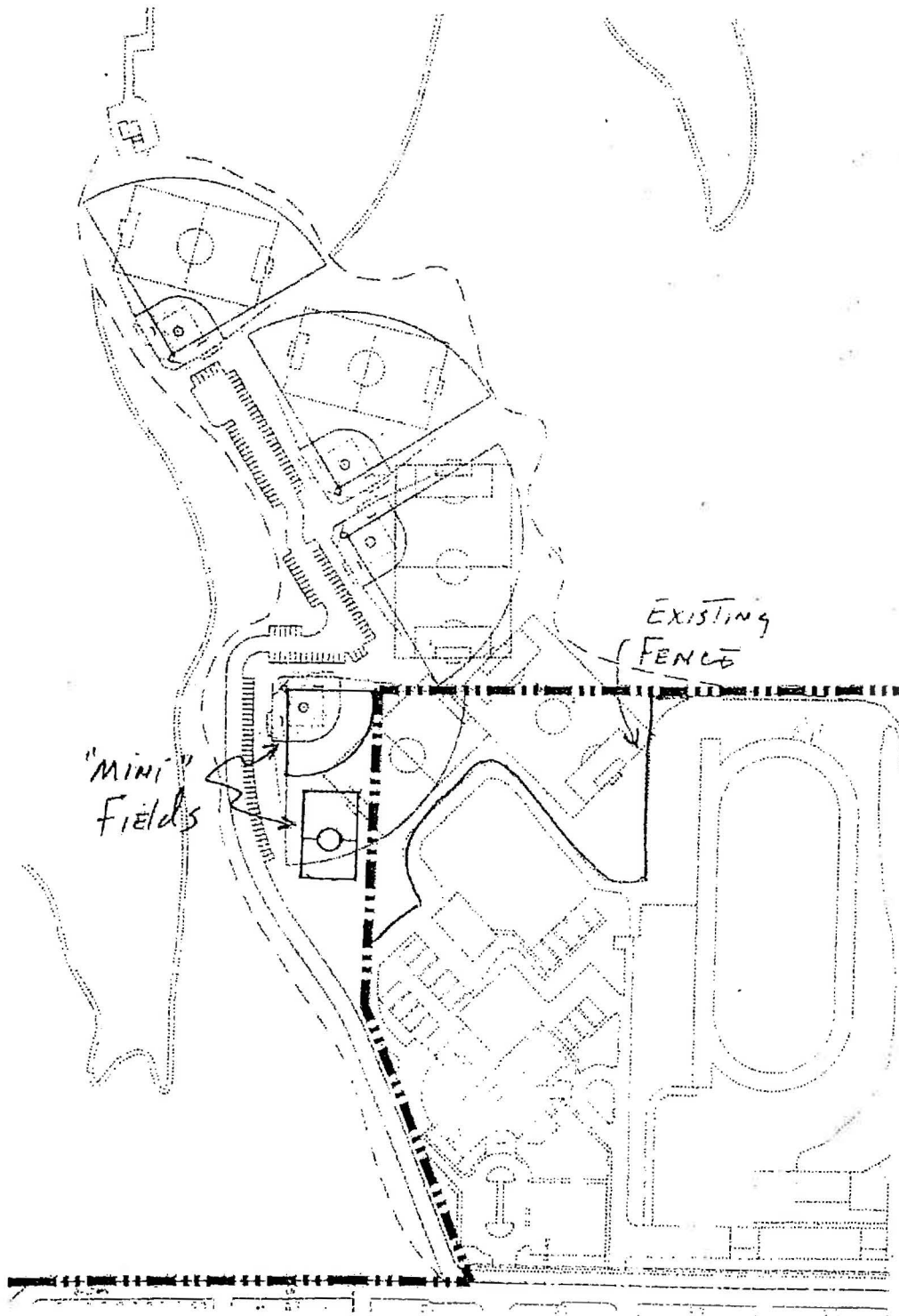
BIG BEAR CITY COMMUNITY SERVICES
DISTRICT

By Mary T. Reeves
Mary Reeves
General Manager

CITY OF BIG BEAR LAKE, DEPARTMENT OF
WATER AND POWER

By Reginald A. Lamson
Reginald A. Lamson
General Manager

Exhibit A



Field Layout without school Property

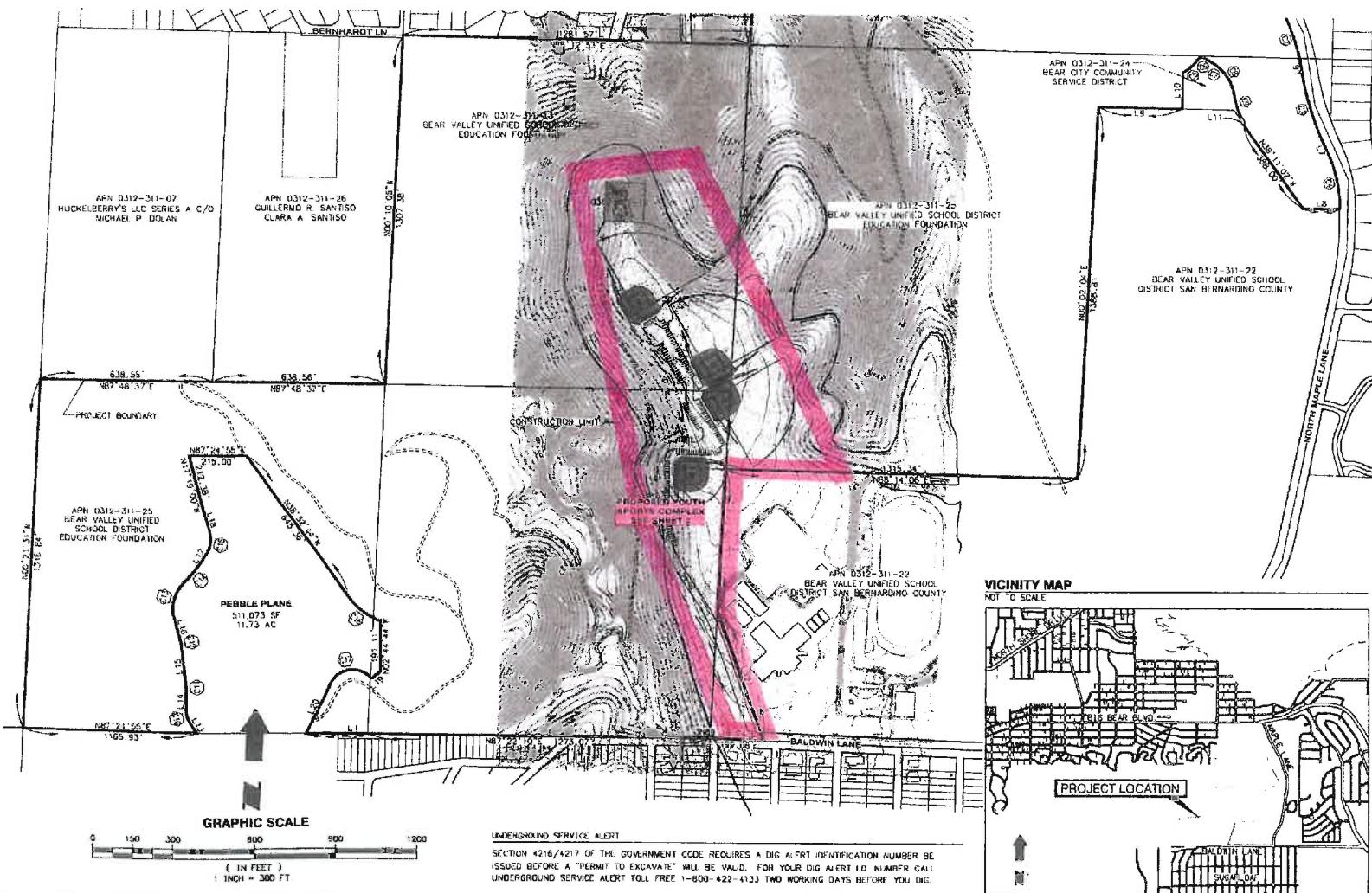



Exhibit A

			COUNTY OF SAN BERNARDINO		C.U.P. MAP NO.XXXX		W O NO.			
			DESIGNED BY _____		APPROVED BY _____		ROAD NO.			
			DRAWN BY _____				FILE NO.			
			CHECKED BY _____ DATE _____							
VISIONS			RECOMMENDED BY _____ DATE _____				SHEET 1 OF 2			
APPR DATE					APN 312-311-25, -321-05 & -311-13					
					BIG BEAR LAKE, CALIFORNIA					

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

1170 West Third Street, Unit 150, San Bernardino, CA 92415-0490
(909) 388-0480 • Fax (909) 388-0481
lafco@lafco.sbcounty.gov
www.sbclafco.org

DATE: NOVEMBER 16, 2020 
FROM: SAMUEL MARTINEZ, Executive Officer
TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: AGENDA ITEM #9: EXECUTIVE OFFICER'S REPORT

1. LAFCO Ad Hoc Administrative and Finance Committee Appointment

LAFCO staff has reached out to the Commission Chair on forming the three-member Ad Hoc Administrative Committee to review the Commission's upcoming audit, to review next year's budget, and any other matters necessary prior to formal review by the Commission.

In April, the Commission approved a number of changes to its Policy Manual. As an outgrowth of that session, the Commission modified its practice on the Ad Hoc Administrative and Finance Committee composition. The new practice is that the Committee shall be composed of the Chair, the Vice Chair, and a new member from the regular membership to be selected by the Chair. Based on LAFCO staff's consultation with the Commission Chair, the Commission Chair has chosen Commissioner Rowe to be the third member of the Committee. Therefore, the Ad Hoc Administrative and Finance Committee for Fiscal Year 2020-21 is composed of the following members:

- Chair McCallon
- Vice Chair Curatalo
- Commissioner Rowe

The Committee will be meeting in December to review the new Audit currently being finalized by the Auditor, and again sometime early next year to review the FY 2021-22 Budget.

2. CY 2021 LAFCO Calendar

Every year, LAFCO staff provides the Commission with its proposed schedule for the upcoming calendar year, which include the Commission's meeting dates for the year, the holidays, as well as the Fridays that the LAFCO Office is closed. Attached is the proposed 2021 LAFCO Calendar.

Attachment: CY 2021 LAFCO Calendar

LOCAL AGENCY FORMATION COMMISSION **ADDED 11/16/2020**
FOR SAN BERNARDINO COUNTY

1170 West Third Street, Unit 150, San Bernardino, CA 92415-0490
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lafco@lafco.sbcounty.gov
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LAFCO Office Calendar – 2021

JANUARY 2021

1 *New Year's Holiday (Office Closed)*
8 *Office Closed*
18 *Martin Luther King Jr. Holiday (Office Closed)*
20 LAFCO Hearing
22 *Office Closed*

FEBRUARY 2021

5 *Office Closed*
15 *President's Day Holiday (Office Closed)*
17 **NO LAFCO HEARING**
19 *Office Closed*

MARCH 2021

5 *Office Closed*
17 LAFCO Hearing
19 *Office Closed*

APRIL 2021

2 *Office Closed*
16 *Office Closed*
21 LAFCO Hearing
30 *Office Closed*

MAY 2021

14 *Office Closed*
19 LAFCO Hearing
28 *Office Closed*
31 *Memorial Day Holiday (Office Closed)*

JUNE 2021

11 *Office Closed*
16 **NO LAFCO HEARING**
25 *Office Closed*

JULY 2021

5 *Independence Day Observance (Office Closed)*
9 *Office Closed*
21 LAFCO Hearing
23 *Office Closed*

AUGUST 2021

6 *Office Closed*
18 LAFCO Hearing
20 *Office Closed*

SEPTEMBER 2021

3 *Office Closed*
6 *Labor Day Holiday (Office Closed)*
15 LAFCO Hearing
17 *Office Closed*

OCTOBER 2021

1 *Office Closed*
11 *Columbus Day Holiday (Office Closed)*
15 *Office Closed*
20 LAFCO Hearing
29 *Office Closed*

NOVEMBER 2021

11 *Veteran's Day Holiday (Office Closed)*
12 *Office Closed*
17 LAFCO Hearing
25- *Thanksgiving Holiday (Office Closed)*
26

DECEMBER 2021

10 *Office Closed*
15 **NO LAFCO HEARING**
20- *Christmas & New Year Holidays (Office Closed)*
31