April 2, 2007

TO: Local Agency Formation Commission
FROM: Executive Officer
Administrative Assistant

SUBJECT: San Diego County Cemetery District Municipal Service Review and Updates and Affirmations to the Spheres of Influence (MSR06-14; SR06-14[a]; SR06-14[b]; SR06-14[c]; SR06-14[d])

EXECUTIVE SUMMARY

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 requires the preparation and regular update of municipal service reviews (MSRs) and spheres of influence for all local agencies. Service reviews are important information reports that assist LAFCO, affected agencies, and the public in coordinating the efficient provision of public services to support anticipated growth. Spheres of influence are also important tools that provide guidance for LAFCO in the establishment of physical boundaries and service areas of cities and special districts. Subject agencies located within the San Diego County Cemetery Municipal Service Review study include the North County Cemetery District, Pomerado Cemetery District, Ramona Cemetery District, and Valley Center Cemetery District.

In order to complete the MSR study, a Request for Information (RFI) survey was prepared and distributed to the four cemetery districts to collect information. Mapping exhibits illustrate the existing service areas and sphere boundaries and are attached (refer to Maps 1-4). Dennis Sheppard, General Manager of North County Cemetery District, was responsible for collecting and organizing the data summary from the four cemetery districts. Mr. Sheppard’s assistance was instrumental in the completion of this LAFCO report.
The MSR includes twenty-one determinations in the nine areas as required by State Law. Determinations indicate that the cemetery services are generally provided adequately in the region. Revenues to support services are also adequate to support the current system of service delivery and contribute to the capital reserves for future needs. Strategies to contain costs are widely practiced. Determinations affirm that the region’s agencies generally engage in sound planning for future services, including capital funding requirements. There are indicators that justify a possible expansion of the sphere of influence and a potential district annexation for the Pomerado Cemetery District in the Miramar, Mira Mesa and Scripps Ranch areas of the City of San Diego. It is also concluded that a sphere expansion is justified for the North County Cemetery District, and possible annexation in the southwest portion of the District, along the eastern boundaries of the Cities of Carlsbad and Encinitas. Population and housing growth experienced within these areas, in addition to the changing demographics and the public input, would support these possible expansions. No changes are proposed to the spheres for Ramona and Valley Center Cemetery Districts. Accordingly, it is recommended that the spheres for these two districts be reaffirmed.

Pursuant to the LAFCO Administrative Procedures for implementing the California Environmental Quality Act (CEQA), this municipal service review is exempt from the environmental impact evaluation process according to §15306. These studies involve data collection, research, and evaluation activities that will not result in any disturbances to environmental resources. In addition, the sphere of influence component of this study is also exempt from CEQA according to § 15061 (b) (3), because it can be concluded with certainty that there would be no adverse impact on the environment. It is therefore,

**RECOMMENDED: That your Commission**

1. Find in accordance with the Executive Officer’s determination, that pursuant to §15306 of the State CEQA Guidelines, the municipal service review is not subject to the environmental impact evaluation process because the service review consists of data collection and research that will not result in a disturbance to an environmental resource;

2. Find in accordance with the Executive Officer’s determinations that pursuant to §15061 (b) (3) of the State CEQA guidelines, the sphere affirmations and updates are not subject to the environmental impact evaluation process because it can be seen with certainly that there is no possibility for the proposed project to significantly impact the environment, and the activity of not subject to CEQA;

3. For the reasons set forth in the San Diego County Cemetery District Municipal Service Review, adopt the San Diego County Cemetery District Municipal Service Review and the associated Determinations;

4. Update the sphere of influence for the North County Cemetery District and Pomerado Cemetery District, as shown on Maps 1 and 2, and adopt the Statements of Determinations as proposed in Attachments 1 and 2; and
5. Affirm the existing spheres of influence for the Ramona Cemetery District and the Valley Center Cemetery District, as shown on Maps 3 and 4, and adopt the Statement of Determinations as proposed in Attachments 3 and 4.

Respectfully submitted,

MICHAEL D. OTT  CLAIRE M. RILEY
Executive Officer      Administrative Assistant

**Attached Exhibits:**
Attachments 1-4: Sphere of Influence Determinations
Maps 1-4: Existing and Proposed Spheres of Influence
BACKGROUND

Effective January 1, 2001, Government Code Section 56430 requires that municipal service reviews be conducted for all local government agencies providing public services in San Diego County. An MSR is an informational report that provides LAFCO with a tool to comprehensively study existing and future public service conditions, and to evaluate organizational options for accommodating growth, preventing urban sprawl, and ensuring that critical services are efficiently and cost-effectively provided. A sphere of influence is a plan for the probable physical boundaries and service area of a local government agency. Government Code Section 56425 requires that spheres be regularly reviewed and updated as necessary. It is important to note that inclusion within an agency’s sphere does not indicate that an affected area automatically will be annexed; an adopted sphere of influence is only one of several factors the San Diego LAFCO considers.

SAN DIEGO COUNTY PUBLIC CEMETERY DISTRICT MUNICIPAL SERVICE REVIEW

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Section 56000 et seq.) states that the purposes of LAFCO include: discouraging urban sprawl, preserving open space and prime agricultural lands, efficiently providing government services, and encouraging the orderly formation, development, and coordination of local agencies based on local conditions and circumstances.

The San Diego County Cemetery District Municipal Service Review represents a comprehensive evaluation of the provision of cemetery services on a regional geographic level. The primary local agencies providing the municipal service are: North County Cemetery District, Pomerado Cemetery District, Ramona Cemetery District, and Valley Center Cemetery District.

Municipal Service Review Requirements

The term “municipal services” generally refers to the full range of services that a public agency provides or is authorized to provide. The California Governor’s Office of Planning and Research (OPR) has concluded that the LAFCO is only required to review services provided by agencies with spheres of influence. In addition, OPR has determined that the LAFCOs have flexibility in identifying which services will be reviewed, the timetable for review, and what geographic areas will be selected for review. The statewide requirement for service reviews is a response to the identified need for a more coordinated and efficient public service structure to support California’s anticipated growth. The service review provides the LAFCO with a tool to comprehensively study existing and potentially future public service conditions, as well as to evaluate organizational options for accommodating growth, preventing urban sprawl, and ensuring that critical services are efficiently provided.

MSR Determinations

In preparing a municipal service review, the LAFCOs are required to make a written statement of determination with respect to each of the following:
1. Infrastructure needs or deficiencies
2. Growth and population projections for the affected area
3. Financing constraints and opportunities
4. Cost avoidance opportunities
5. Opportunities for fee restructuring
6. Opportunities for shared facilities
7. Government structure options
8. Evaluation of management efficiencies
9. Local accountability and governance

The LAFCO must make these determinations pursuant to the provisions of Government Code §56430; the municipal service review process does not require the LAFCO to initiate changes of organization based on the determinations. The LAFCO, local agencies, and the public may subsequently use the determinations as an informal tool to consider changes to services, local jurisdictions, or spheres of influence. Local agencies are not the object of the municipal service review; rather, municipal service reviews are intended to survey the adequacy of public services within specific regions. Nevertheless, because public agencies are the mechanism for providing services, the review of individual agencies is unavoidable.

San Diego LAFCO Municipal Service Review Guidelines

The San Diego Local Agency Formation Commission (LAFCO) adopted a schedule for conducting the first round of sphere reviews, possible sphere updates, and municipal service reviews by appointing a Municipal Service Review Working Group to advise the LAFCO of issues related to individual municipal service reviews (MSR). The San Diego LAFCO adopted its Municipal Service Review Guidelines following extensive review and comment from the LAFCO’s Special District Advisory Committee, Ad Hoc Cities Advisory Committee, the Municipal Service Review Working Group, and the public. The primary purpose of the local guidelines is to assist the San Diego LAFCO in making the nine determinations required by the MSR statute. According to the Guidelines, MSRs generally shall be prepared in conjunction with sphere of influence studies or updates; however, MSRs may also be conducted prior to the sphere of influence process. The LAFCO will conduct MSRs prior to the updated sphere, based on a number of the factors including, but not limited to: concern of affected agencies, the public or the LAFCO; public demand for a service review; public health, safety or welfare issues; and service provisions issues associated with areas of growth and development. Minor amendments to a sphere of influence, as determined by the LAFCO, will not require an MSR. A list of the relevant factors of analysis that may be considered during the preparation of service reviews is also included in the San Diego LAFCO Guidelines.

According to the San Diego LAFCO Guidelines, MSRs shall address identified services within the service review boundary, which are generally associated with growth and development. Target services include, but may not be limited to, the following services: water, sewer, drainage, libraries, roads, parks, police, and fire protection. General government services such as courts, social services, human resources, treasury, tax collection, and administrative services shall generally not be addressed.
The LAFCO shall determine which services will be included in each service review. The LAFCO may also defer the review of certain services to subsequent studies based on local conditions and circumstances. Generally, MSRs are conducted for sub-regional areas within the County of San Diego; however, an MSR can cover a geographic area that encompasses a single agency or multiple agencies. Agencies that have service provision issues related to a current MSR, as identified by the LAFCO, may be included in the service review. MSRs addressing multiple services may have separate geographic boundaries established for each service.

In April 2003, the LAFCO, in conjunction with an MSR Working Group and the Special Districts Advisory Committee, adopted the *Strategy for Conducting and Using Municipal Service Reviews*. This document establishes a framework to assist the LAFCO in preparing MSRs including the following components: development of a scope of work; data collection; adherence to a study timeframe; focusing on a programmatic view of service delivery; discerning appropriate levels and types of information required; and ensuring accuracy and relevancy of data that is collected.

**MSR Cemetery Service Providers**

**Agency Profile**

**North County Cemetery District**

The North County Cemetery District was formed as the result of the consolidation of two cemetery districts in 1984 (Escondido Public Cemetery District and San Marcos Public Cemetery District). The Escondido Public Cemetery District and the San Marcos Public Cemetery District were both originally formed in 1930. Today, North County Cemetery District encompasses 83.2 square miles in north central San Diego County with the existing sphere of influence including another 75.5 square miles. The sphere territory generally extends to the north in the Deer Springs area; east towards the San Pasqual Valley; and south near Del Dios, San Marcos, Encinitas, and Carlsbad. The District has two cemeteries totaling approximately 103 acres and serves a population of 230,281. The District includes all of the cities of Escondido and San Marcos and some unincorporated territory near Escondido, San Marcos, and San Diego. The District provides cemetery services and the interment of human remains for the residents and property tax payers of the District and their families.

**Pomerado Cemetery District**

Pomerado Cemetery District was formed as a district on August 21, 1950. The District covers about 95 square miles in north central San Diego County with one cemetery totaling about 40 acres. The existing sphere of influence is coterminal with the boundaries of the District. The District is almost contiguous with the Poway Unified School District Boundary. The District serves a population of 218,000 in the cities of Poway and San Diego and in the Rancho Bernardo/Penasquitos areas, and provides burial services to eligible residents within the service area.
**Ramona Cemetery District**

The Ramona Cemetery District was formed on April 21, 1959. The existing service area of Ramona Cemetery District encompasses over 168.58 square miles in and around the unincorporated community of Ramona located in central San Diego County. The District extends from Poway through Ramona to the east of Santa Ysabel, south to Lake San Vincente, and north to beyond Black Mountain Road. The existing sphere of the District includes about 15 square-miles outside of the Cemetery District north of Sutherland Reservoir and east of the junction of Highways 79 and 78. It manages one cemetery, which is located in Ramona, and serves a population of 43,000.

**Valley Center Cemetery District**

Valley Center Cemetery District was formed on August 22, 1931. The existing service area boundary for the District encompasses approximately 84.5 square miles north of Escondido extending to the Riverside County line, generally east of Interstate 15 and reaching to Lake Henshaw. This District serves Valley Center, Rincon, and Palomar Mountain areas of unincorporated San Diego County. The existing sphere of influence is coterminous with the boundaries of the Cemetery District. The District maintains one cemetery and the population served is 25,000.

1. **INFRASTRUCTURE, FACILITIES, AND SERVICES**

This section discusses planning for future services, paying for infrastructure, infrastructure deficiencies & surpluses, planning and population projections, providing for equitable service provision, determining appropriate service boundaries, extending services logically, and consolidating services related to the primary agencies analyzed in this MSR – North County Cemetery District, Pomerado Cemetery District, Ramona Cemetery District and Valley Center Cemetery District.

**Planning for Future Services**

Local government’s ability to provide for efficient and cost-effective public services is linked to an integrated program of short- and long-range planning. Determining future service needs and developing strategic plans to ensure that physical and capital resources will be available as required is a fundamental activity of government.

Generally, local public agencies use Master Plans or capital improvement plans, or variations of these processes, as planning tools. Master plans are especially important for agencies that have abundant developable territory or are experiencing significant growth. There is no legal requirement regarding the frequency for preparing Master Plans. However, a five-year preparation standard has been established by precedent in California. Preparing and updating Master Plans at five-year intervals allows agencies to evaluate changing conditions.
Planning Choices

The choice of appropriate planning processes can be influenced by such factors as an agency’s geographic size, population density, and/or age of infrastructure. Agencies serving predominately built-out territory (i.e., fully developed) or areas with little expectation of growth are, as a rule, concerned with routine maintenance and the upgrade of aging infrastructure to meet new safety and regulatory standards. Preparing a master plan under such conditions should still occur, but it should be based on a less intensive planning process. Planning creates a vision for providing future services; however, the vision will not materialize if such plans are not implemented. Timely funding choices must be pursued in order to achieve the service goals established by the planning process. Implementation schedules must be developed and adhered to, and adequate resources must be dedicated to necessary capital improvement projects, if planned goals are to be realized. Moreover, if maintenance or upgrade plans are deferred in the budget or capital improvement process, not only will planned goals likely go unrealized, but the condition of infrastructure and existing levels of service may be degraded as well.

Planning for Future Services

The choice of an appropriate planning process among the region’s four Public Cemetery Districts varies. The North County Cemetery District has a Master Plan for both of the two cemeteries in the District. These plans are reviewed and updated on a regular basis. The Oak Hill Memorial Park has approximately 50 of a total of 76 acres developed for interment. Based upon current assessment of consumption and demographic analysis, the current developed area will last between 10 and 15 years, and the undeveloped acreage would address community needs far into the future. The San Marcos Cemetery encompasses 27 acres and is approximately 50% developed. The current supply of developed graves and niches will provide capacity for 10 to 15 years. The future development of the remaining acreage is planned and will be completed as the need demands and the capital resources permit, but resources are available for many years into the future.

The Pomerado Cemetery District relies upon on-going staff analysis to provide assessment for board level strategies. The Dearborn Memorial Park is the lone cemetery for this district. The District has a Master Plan and is currently executing the construction of the “Estate Gardens” phase of that plan in order to provide a new service option to the District constituents. Only 65% of the developed ten acres is committed, leaving 23 years of capacity based upon today’s assumptions. There is an additional 30 acres available that will be addressed as the Master Plan is reviewed and updated.

The Ramona Cemetery District also serves a rural community. This single cemetery district has 43.5% of its acreage in reserve for future development. It focuses most of its planning effort on maintenance and the upgrade of current infrastructure. The developed resources meets currently expected demands for several years into the future, and the undeveloped land will provide for services into the distant future.

The Valley Center Cemetery District while not having a documented strategic plan, demonstrates forward planning through the actions of the governing board. The District
uses historic trends and population growth to predict resource consumption. Current capabilities in the one cemetery district will address the growth demands for several years in this rural, low density community. The District is simultaneously negotiating to purchase neighboring land so that the cemetery can be increased by 40%.

**Paying for Infrastructure**

Agencies rely on various combinations of long-term debt and pay-as-you-go funding from current revenue streams in order to fund capital projects. When appropriate, pay-as-you-go funding is desirable, because it helps keep debt level low and low levels of debt influence an agency’s credit rating for projects that do require debt financing. While local governments frequently turn to the municipal bond market to secure long-term debt, the local cemetery districts have not used that option. Financing short-term loans through JPA’s and Associations, (California Special Districts Association Finance Corporation), have been utilized by some districts.

Each of the four cemetery districts within the region relies on a mixture of pay-as-you-go and short-term borrowing for major capital programs. None of the districts has ventured into the bond market. North County Cemetery District used a five-year loan for infrastructure growth at the San Marcos Cemetery (paid off early), but has an annually budgeted Capital Improvement Fund as a pay-as-you-go strategy. Pomerado Cemetery, Ramona Cemetery and Valley Center Cemetery Districts use similar budgetary strategies for their capital demands. Land acquisition would probably be financed through local institutions or from appropriate agencies.

**Infrastructure Deficiencies**

An extensive record of infrastructure deficiencies or numerous notices of regulatory violations within the MSR region could indicate that the region’s public cemetery district services are compromised. On the other hand, if there is compliance with regulatory requirements and insignificant reports of deficiencies, it may be reasonable to conclude that local agencies are performing within appropriate service parameters. None of the region’s public cemetery districts has received notices of regulatory violations concerning infrastructure. As it pertains to the MSR study area, there are no known infrastructure deficiencies. North County Cemetery District’s new maintenance building at the San Marcos Cemetery had a temporary deferral by the San Marcos Fire Department regarding an internal fire suppression sprinkler system. This was due to a pending major street improvement which impacted water delivery. This has been resolved and the deviation corrected. The Ramona Cemetery District has no infrastructure deficiencies, but road maintenance issues are a priority. Valley Center Cemetery District has no current deficiency, but is addressing future requirements by investigating possible land acquisitions.

**Use of Excess Capacity**

Under-utilized facilities or excess capacity can be an indication of a flawed planning process, which over-estimates service needs. Under-utilized components of a cemetery district may be desirable where facilities are required for long-range regional needs; nonetheless, overstated needs can consume public funds, which consequently become
unavailable for genuine concerns. Excess capacity can also indicate that opportunities to gain efficiencies through cooperative use of facilities have been overlooked. Then again, under-utilized facilities can be an indication of efficiently used public funds that have purchased future capacity with current dollars, or of infrastructure purposefully designed to accommodate future growth issues.

Among the region’s four cemetery districts all indicate that infrastructure is appropriately sized for current and planned needs. Because of the nature of the services provided, it is difficult to share capital facilities or resources between agencies. Undeveloped areas may appear under-utilized, but it may be by a conscious management decision to save day-to-day maintenance expenses until such time as the facility is required.

**Planning and Population Projections**

Because projected growth patterns should influence the location and sizing of public facilities and vice versa, population and development forecasts must be integrated into the planning process. The San Diego Association of Governments (SANDAG) is the State-designated Regional Census Data Center for the San Diego region. The SANDAG has produced short-range and long-range forecasts of growth in the region since 1971. Forecasts are updated every two years to examine the impacts of changes in public policies and economic conditions affecting population growth and distraction. Each forecast is certified to be the source of population data for regional studies by the County’s 18 municipalities, the County of San Diego, and the SANDAG Board of Directors. Special districts are not member agencies of the SANDAG and, therefore, do not participate in the review and certification of bi-annual forecasts. Within the boundaries of this MSR study and vicinity, the County of San Diego and the Cities of San Diego, Escondido, Poway, Santee, and San Marcos have the ability to adopt land use policies that will influence growth patterns. Special districts within the region can only plan for the outcomes that agencies with land use authority create.

The MSR study area cemetery agencies acknowledge the need for integrating population projections into their planning processes. Generally, the SANDAG data is adjusted to reflect the agencies’ own growth and consumption experiences. This is integrated into local models for calculating service demands, facility requirements and future acreage needs. Interment trends, based on both numbers and type of interment, influence forecasting service needs. Additionally there is community input considerations. This includes input from the sectarian community and the industry experts.

**Equitable Service Provision**

Services should reasonably be provided to all territory within the boundary of a public service agency. If services are provided unequally across the agency, or some areas are deprived of services because of infrastructure or topographic restrictions, there may be justification to examine a boundary adjustment that would transfer underserved territory to an agency with more ability to serve the area. Each cemetery agency within the MSR region indicates that services are equitably provided agency-wide. The same choice of services, levels of maintenance and price structures are offered throughout the territory within each agency.
Appropriate Boundaries

The boundaries of local governments should define territory where agencies can logically provide services. Spheres of influence should identify areas where it can be determined that the agency will be prepared to provide efficient future service. Including territory within a boundary which cannot be logically served by the agency, or excluding territory which can be logically served, aggravates inefficiencies and may indicate that a boundary modification is necessary. Local agencies should, as a rule, avoid providing services outside of their boundaries. Extra-territorial service introduces needless complexity into regional service provision and, if extensive, extra-territorial service arrangements can strain an agency’s infrastructure system to the detriment of those living within the agency. Moreover, customers receiving extra-territorial services are unable to participate in supporting or opposing voter-approved assessments that might update or improve the services they are receiving.

State Law restricts the services of the District to within its boundaries. The only method of extending the services to residents outside of the boundaries is to annex that geographic area to the District. The North County Cemetery District, Pomerado Cemetery District, Ramona Cemetery District and Valley Center Cemetery District do not contain areas within their boundaries that could be more efficiently served by another public agency. Also, these Districts report that there are no properties outside of their boundaries that are currently served by the Districts. However, the Pomerado Cemetery District could efficiently serve the areas of Miramar Ranch, Scripps Ranch, and Mira Mesa. The District has received many requests from local residents to expand district services to include that territory. In order to provide service in those requesting areas, both the sphere and the district boundary would need to be expanded. Similarly the North County Cemetery District also could efficiently serve certain areas outside its jurisdictional boundaries. All of the area positioned within the District’s sphere of influence, but outside the current district boundary, could be served easily by North County Cemetery District. This includes territory on the southwest (San Elijo Hills area of San Marcos & the eastern edge of Encinitas), the south (around Lake Hodges), the east (the San Pasqual Valley), and the north (to become contiguous with the Valley Center Cemetery District boundaries). Additionally, there has been public input for the District to extend its sphere (and subsequently district boundary) to the west and southwest into the Cities of Carlsbad, Vista and Encinitas.

Extending Services

The prospect of providing services to areas beyond a service provider’s current boundary must be carefully examined. The ability to provide services must be evaluated against a potential that extending services could be growth-inducing. The service provider’s sphere of influence, as well as the spheres of neighboring agencies, plus the ability of other agencies to provide similar or superior service would need to be considered. Ultimately, San Diego LAFCO must determine whether adjusting a service provider’s boundary to permit extension of services would promote orderly development of local government.

Each of the region’s four public cemetery districts limits its activities to services authorized by the California Health and Safety Code. Services are extended beyond boundaries only when lawful, such as burying a law enforcement officer killed in the line of duty. No
incidence of the agencies engaging in an activity that is not delineated in their principal act has been reported.

Consolidating Services

If regional service organization or consolidation of local agencies is not practical or desirable, functional consolidations in the form of Joint Powers Agreements (JPAs) or other cooperative agreements may be an alternative for gaining service efficiencies.

There currently is no JPA or other arrangements by any of the four agencies with other agencies to share facilities, infrastructure or services. The present capacity of the public cemeteries is such that there is no immediate need to share cemeteries, and it is not practical to share other assets due to the logistics of transportation. The four cemetery districts do belong to an association that shares technical information and support, provides training programs in areas of Human Resource Management, Fiscal Responsibility, Strategic Planning and other disciplines necessary for effective and efficient management.

2. FISCAL ISSUES

This section discusses revenue sources, rates and fees, policy for reserves and depreciation, agency bond ratings, policies for investment practices, and legal costs associated with the MSR study area cemetery service providers.

Revenue Sources

All units of local government (counties, cities, and special districts) are financially autonomous. Within the limits of State Law, each local government has the ability to craft unique fiscal policy and practices. Each agency is equally empowered to make independent fiscal decisions; however, they are not equally empowered to generate revenues to support their decisions.

General-Purpose Governments

Cities and counties, as general-purpose governments, are empowered by the California Constitution to impose a variety of taxes and to raise revenues through an assortment of mechanisms. General-purpose governments are authorized to levy transient occupancy, business license, and sales and use taxes. These governments may impose fees, charges, benefit assessments, and general and special taxes subject to the voting requirements of Proposition 218. General-purpose governments are also eligible to receive state subventions and to engage in revenue enhancing activities such as franchising public utilities and cable television.

Limited-Purpose Governments

Limited-purpose agencies (e.g., primary special districts) may impose only the types of taxes, assessments, and fees that have been authorized through legislation. The revenue sources available to each class of special district are specifically defined in approximately
60 different principal or special acts. Non-enterprise districts that provide services benefiting entire communities, such as fire protection and emergency services, or cemetery services, typically receive much of their revenue from the ad-valorem property tax that is limited to one percent of the value of the property by Article XIII (A) of the California Constitution. Only those local agencies that levied property tax rates prior to 1978 may receive a formula-based allocation of the one percent tax revenue; agencies with general obligation debt approved prior to 1978 may collect additional property tax revenue specifically dedicated to the debt's retirement. Special districts that are enterprise in nature (i.e., financed and operated in a manner similar to private enterprise where the cost of providing goods and services is recovered through sales revenue) impose user fees or service charges to recover the cost of providing services. Generally, enterprise districts do not rely, or only minimally rely, on property tax revenue to fund operating costs.

The three sources of revenue available to the four cemetery districts includes: property taxes, service fees, and investment interest. The range of revenue sources available to local agencies is an important element in accruing funds. Some of the revenues available to the cemetery districts are unrestricted and can be diverted to necessary programs or projects. Others are generally restricted to specific, inflexible uses. Notwithstanding limited and restricted categories of revenue, enterprise districts have greater flexibility in meeting fiscal objectives than other agencies because enterprise service fees can be increased with relative ease compared to the special taxes and assessments upon which other service providers rely. The cemetery fees for burial rights, opening and closing fees, marker setting fees, are specifically exempt from many of the constraints, but the endowment care fee itself (the principle) may never be spent and must be held in trust. All fees are subject to some restrictions; fees must be reasonably related to the cost of providing services. Located below are the budgets of the four cemetery districts.

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Rates and Fees

Each of the four cemetery districts acts as a non-enterprise district. The agencies may impose fees or rates for services, provided they reasonably relate to the cost of producing and delivering services. California Courts have declared that a fee which exceeds the reasonable cost of a service is a disguised tax. Accordingly, rates and fees must be responsibly set to ensure that revenue will be sufficient to compensate for the cost of providing services, pay down accumulated debt, and maintain appropriate reserve levels. Each of the districts reviews its structure annually, but most only selectively change the fees. Pomerado has tied its fees to the cost of living measurement. North County raised its fees across the board by 5% in August of 2003, and by 3.5% in August of 2004.
Policy for Reserves and Depreciation

While there is no accepted model to determine appropriate levels of reserve funds, decisions concerning reserves have typically been shaped by policy guidelines. Some observers are more cautious than others, reasoning that a one-size-fits-all policy would not serve the needs of widely diverse local agencies. It is argued that many of the same reasons, which prevent local agencies from adopting uniform rates and fees, apply equally to reserve levels.

The four agencies of this MSR generally have three funds, General Operating, Endowment Care, and Capital Outlay. North County has a fourth fund, Pre-Need. These are defined funds with Endowment Care and Pre-Need being very restricted. The only "reserve" funds available would be through reapplication of Capital Outlay.

An independent auditor’s report, conducted in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, is routinely completed by the North County, Pomerado, Ramona and Valley Center Cemetery Districts.

Agency Bond Ratings

None of the districts has bonded indebtedness and therefore do not have a bond rating.

Policies for Investment Practices

Investment priorities and policies are important in that they govern the level of risk and liquidity of invested funds. Almost all of the investments by the four cemetery districts use the San Diego County Treasurer’s account. All investments are approved by the Boards of Trustees at regular board meetings. Investments are made within the limits of the districts’ investment policy, which is in accordance with California Government Code Section 53601.

Legal Costs

Local agencies rely on the advice of general counsel in such areas as compliance with the Brown Act or the structure of contracts and ordinances. The decision to maintain in-house general counsel or retain outside legal representation is, for some agencies, a factor of size and the degree of legal advice required. Even large cities and counties with entire legal divisions will retain outside firms for specific types of litigation and it is not unusual for a local agency to seek the advice of several law firms.

The four agencies of this MSR have only occasional need for counsel and it is requested on a case-by-case basis. Over the past three years the only legal expenditure that was encountered was by North County Cemetery District requesting a review and comment on a personnel item.
3. ADMINISTRATION, MANAGEMENT, AND OPERATIONS

This section provides a discussion of the MSR study area water and wastewater providers’ organizational structure, management of human capital, and public input opportunities.

The public relies on local agencies and service providers to function in a manner that will produce efficient public services. The ability of service providers to meet the public’s expectation depends, in part, on the capacity of providers’ administrative, management, and operational systems to meet demands. Consistent with a “form-follows-function” model, the internal organization of local agencies and service providers must be structured to produce optimum efficiencies.

Roles

Elected or appointed officials are responsible for shaping the missions of service providers and ensuring that missions are translated into actions. The authority of boards of supervisors, city councils, and district boards of directors or trustees does not usually extend to developing actual programs or supervising staff; responsibility for this activity falls to chief administrative officers, city managers, and general managers. Legislation such as the Ralph M. Brown Act and the Meyer-Milias-Brown Act also govern the scope of administrative involvement permitted to the elected or appointed officials. In the real world of practical local government, however, executive staff often put forward policy proposals for their governing bodies to adopt, and elected or appointed officials sometimes involve themselves in staff level issues in an eagerness to implement policies. Nevertheless, understanding and respecting the distinct roles that officials and staff perform is essential.

To help local officials distinguish their respective roles, the California Legislature has amended several special district principal acts to include the language defining the elected official-employee relationship. To this end, the board of trustees shall provide for the faithful implementation of those policies, which is the responsibility of the employees of the district.

The incidence of wrongdoing in this area is of such significance that the California Senate Local Government Committee held an Interim Hearing entitled “Integrity and Accountability in Special District Governance” (November 24, 2003) to consider whether the California Legislature should extend the admonition concerning elected official/employee roles to other types of special districts. The Interim Hearing also examined the practicalities of what occurs when a service provider’s general manager believes that a board member has violated internal policies or State Law, and considered the ability of employees to confront elected or appointed board members with perceived misconduct.

Organizational Structure

The San Diego County Cemetery District MSR examined two areas of appointed official/employee interaction: (1) the existence of policies, rules, and procedures regulating communication between these two groups; and (2) the level to which elected officials are involved in administrative, management, and personal matters.
In all four districts, it was found that the Board of Trustees set the district policy, pay and benefit levels, established and approved annual budgets, Master Plans, and fee schedules for service. Involvement levels have not changed during the past three years.

Managing Human Capital

To effectively produce and deliver public services, service providers must manage human assets with the same emphasis and vigor that is placed on “brick-and-mortar” assets. The objectives of capital improvement programs are typically to identify and prioritize needs and translate those needs into funded programs. This objective should be replicated in programs that focus on human capital.

Managing the human component of public service production is more complicated than just identifying the types and numbers of positions that production requires. Public agencies must conform to multiple layers of regulations mandating practices for hiring and retaining public personnel. Federal laws, such as the Civil Rights Act of 1964, the Americans with Disabilities Act (ADA), the National Labor Relations Act (LRA), the U.S. Family Medical Leave Act, and the Occupational Safety and Health Act (OSHA) apply to local agencies and are frequently replicated and amplified in State regulations. Laws applying to the private sector are sometimes applied to the public sector, typically with higher standards. For example, the California Family Leave Act affects only those private organizations employing 50 or more persons; however, all units of local government, regardless of staffing levels, shall comply.

The Meyers-Milias-Brown Act guides employer/employee interaction and provides employees of local agencies and service providers with the right to organize and be recognized: “No public agency shall unreasonably withhold recognition of employee organizations.” In return, local agencies may adopt reasonable rules and regulations for administration of employer/employee relations after good faith consultation with employee organizations.

Incidence of employee turnover, which includes terminations, resignations, and retirements with the three-year MSR reporting period, is reasonably consistent with each agency. Located below is a personnel activity summary from 2002-2004.

<table>
<thead>
<tr>
<th>Personnel Activity 2002 - 2004</th>
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</thead>
<tbody>
<tr>
<td>Total Employees</td>
</tr>
<tr>
<td>North County</td>
</tr>
<tr>
<td>Pomerado</td>
</tr>
<tr>
<td>Ramona</td>
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<tr>
<td>Valley Center</td>
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</tbody>
</table>

* Working Manager

Agencies of this small size will experience drastic swings over a period of time. Pomerado has not had any turnover, while North County Cemetery District experienced six. Because of the small “base” the percentage may not be indicative of an issue. None of the agencies
have had staff reorganization over the immediate past, which could indicate a stable management leadership.

4. GOVERNANCE

This section describes the governance structures of the four agencies, their principles of governance, and their methods for ensuring public engagement in their activities.

Authority for Governance and Scope of Local Agency Powers

Authorization for local government flows from the State of California. The U.S. Constitution does not reference local government; rather, the U.S. Constitution conveys all powers not delegated to the federal government to the States, and it is the states that in a similar manner extend authority to local government. The California Constitution contains provisions for counties and cities, and State statutes create special districts.

The organization of local governance is commonly misunderstood to be hierarchical (i.e., special districts, counties at the apex, etc.) with each superseding layer exercising oversight on layers below. This is not the case, however, as local government is structured to instill each state-authorized subdivision with a level of sovereignty, which allows it to govern without intrusion from other units of local government.

The principal acts, which authorize special districts, create distinctive agencies. More than two-dozen principal acts are charters for classes of special districts, each with a unique combination of functions and powers. Principal acts create the context in which special districts operate by defining the services that may be provided, delineating territory that may be served, stipulating characteristics of the governing board, specifying the basis of voter representation, and identifying the range and limits of governance in which each special district must operate.

A special district may engage only in those activities outlined in its principal act. The range of services that special districts may provide is further restricted by the LAFCO’s responsibility to regulate latent powers (i.e., the services or functions authorized by the principal act, but not currently exercised by the district). Special district governing boards must reflect specific characteristics. Trustees are required to be registered voters within the district where the duties of the office are to be exercised; residency is accordingly required.

The Health and Safety Code, Section 9000, is the enabling act for public cemetery districts. The complete scope of power for these agencies is for the interment of human remains.

Principles of Governance

All cemetery districts within the San Diego County MSR region schedule regular public meetings. Each convenes on a monthly basis with occasional special meetings. Each agency posts agendas and follow requirements prescribed by State Law for contacting the media, public agencies and individual regarding meeting notification.
Reorganization

One of LAFCO’s roles is to study public service conditions and evaluate the potential for gaining efficiencies through reorganization. One agency within the San Diego County Cemetery Service Review is the product of past reorganization. The North County Cemetery District originally was formed by the consolidation of the Escondido and San Marcos Cemetery Districts on July 1, 1984. The consolidation was at the mutual request of both cemetery districts. The resulting district gave residents and tax payers of both communities a choice of using either of the District’s cemeteries.

5. MSR DETERMINATIONS

Government Code §56430 requires LAFCO to conduct comprehensive reviews of municipal services and prepare a written statement of determinations for nine categories of inquiry. Determinations are not findings of fact, rather, they are “…declaratory statements that make a conclusion, based on all the information and evidence presented to the Commission.” The determinations are based on a comprehensive analysis of local agency service information. The comprehensive analysis establishes the basis for commission determinations and conclusions about the adequacy of service provision. The Commission, other agencies, or the public may use determinations to provide guidance for future decisions; however, the determinations themselves do not represent recommendations for action.

MUNICIPAL SERVICE REVIEW – PUBLIC CEMETERY DISTRICTS

Determination 1: INFRASTRUCTURE NEEDS AND DEFICIENCIES

In authorizing the preparation of municipal service reviews, the State Legislature has focused on one of LAFCO’s core missions – encouraging the efficient provision of public services. Infrastructure needs or deficiencies, which refers to the adequacy of existing and planned public facilities in relation to how public services are, and will be, provided to citizens, impacts the efficient delivery of public services. Infrastructure can be evaluated in terms of capacity, condition, availability quality and correlation amount operational, capital improvement, and finance plans. There may be unmet infrastructure needs due to budget constraints or other factors; however, identification of efficiencies may promote public understanding and support for needed improvements.

Determination 1.0  The region’s cemetery infrastructure appears adequate to provide efficient services.

Indications of system weakness, such as regulatory violations, citations or frequent public complaint escalations are not present. Each of the districts in the MSR study region has available capacity and each has plans to address future demands.
Determination 1.1  **Overall planning for the region’s future cemetery infrastructure appears adequate.**

The region’s cemetery agencies individually engage in strategic planning for five or ten year horizons through Master Plans or through capital improvement plans. The number of burials and the types of burials, (cremation vs. full burials), are monitored in order to analyze the shift in the culture of preferred burial type.

**Determination 2: GROWTH AND POPULATION**

Efficient provision of public services is linked to an agency’s ability to plan for future need. For example, a water purveyor must be prepared to supply water for existing and future levels of demand, and also be able to determine where future demand will occur. Municipal service reviews will give LAFCO, affected agencies, and the public the means to examine both the existing and future need for public services and will evaluate whether projections for future growth and population patterns are integrated into service planning functions.

Determination 2.0  **SANDAG projections to 2020 indicate that the region will undergo significant growth.**

The region’s special districts do not have land use authority and are limited to anticipating the outcomes that jurisdictions with land use authority create. It is imperative that planning to accommodate growth takes place with collaboration of agencies with land use authority and agencies with service delivery responsibility. It is essential that population and development forecasts be integrated into the region’s planning processes. The cemetery agencies utilize available data of trends to influence forecasting of service needs, both in volume and in type of service preferred by the community. The North County Cemetery District and Pomerado Cemetery District have Master Plans that address anticipated future demands while Ramona and Valley Center Cemetery Districts utilize their Capital Improvement process to address future needs.

**Determination 3: FINANCING CONSTRAINTS AND OPPORTUNITIES**

LAFCO must weigh a community’s public service needs against the resources available to fund the services. During the municipal service review, the financing constraints and opportunities, which have an impact on the delivery of services, will be identified and enable LAFCO, local agencies, and the public to assess whether agencies are capitalizing on financing opportunities. For example, a service review could reveal that two or more water agencies that are each deficient in storage capacity and, which individually lack financial resources to construct additional facilities, may benefit from creating a joint venture to finance and construct regional storage facilities. Service reviews may also disclose innovations for contending with financing constraints, which may be of considerable value to numerous agencies.
Determination 3.0  The region’s service providers are financially autonomous and limited to funding sources allowed under State Law.

Each of the region’s agencies, as autonomous units of local government, has sovereignty over fiscal issues, subject to State law. All of the region’s agencies conform to the restrictions of Prop 13 and Prop 218 in assessing fees and general and special taxes.

Determination 3.1  Property tax revenue provides a significant portion of the region’s overall fiscal need.

In relation to the total annual revenue, property taxes range from a low of 16% for Valley Center to a high of 67% for Ramon Cemetery District. All four of the agencies pursue a variety of approaches to meet financial needs, including periodic review and adjustment of service fees, and cost avoidance and containment efforts. The use of “Pre-Need” sales and conservative investment of those funds until needed is an example.

Determination 4: COST AVOIDANCE OPPORTUNITIES
LAFCO’s role in encouraging efficiently provided public services depends, in part, on helping local agencies explore cost avoidance opportunities. The municipal service review addresses cost avoidance opportunities including, but not limited to: (1) eliminating duplicative services; (2) reducing high administration to operation cost ratios; (3) replacing outdated or deteriorating infrastructure and equipment; (4) reducing inventories of underutilized equipment, buildings, or facilities; (5) redrawing overlapping or inefficient service boundaries; (6) replacing inefficient purchasing or budgeting practices; (7) implementing economies of scale; and (8) increasing profitable outsourcing.

Determination 4.0:  Staffs are kept to a minimum size.

Three of the four agencies in the region employ working management, thus eliminating administration to operations ratios. Only North County Cemetery District, which has two cemeteries, utilizes a full time manager. The other three districts use a “working supervisor/manager” philosophy to help contain costs. Part time employees are used frequently throughout the region in various roles, from secretarial work to contracting for backhoe service to open and close graves (Valley Center).

Determination 4.1  “Outsourcing” various work activities to contain cost.

Taking advantage of specialist for infrequent or seasonal activity is an example of the cost avoidance efforts taken by the regions agencies. Valley Center Cemetery District utilizes a local backhoe service for grave opening and closing rather that incur the significant capital burden of hiring permanent employees. North County Cemetery District contracts for the seasonal demand of “weed trimming” rather than hiring permanent staff for the peak workload requirements.
Determination 4.2  **Sharing of resources is impractical.**

The sharing of resources between the regions four agencies is not practical. The heavy equipment used within the cemeteries is not easily or inexpensively transported. Such a tactic exposes the agencies to increased liability, expense, and lost productivity. At this time, there is no need to study sharing cemetery capacities as each agency has available space. Such activity would have a prerequisite of consolidation consideration.

**Determination 5: OPPORTUNITIES FOR RATE RESTRUCTURING**

When applicable, the municipal service review will review agency rates, which are charged for public services, to examine opportunities for rate restructuring without impairing the quality of service. Agency rates will be scrutinized for: (1) rate setting methodologies; (2) conditions that could impact future rates; and (3) variances among rates, fees, taxes, charges, etc., within an agency and region. Service reviews will identify strategies for rate restructuring, which would further the LAFCO mission of ensuring efficiency in providing public services.

Determination 5.0  **It is difficult to compare fee structures among the four agencies.**

Attempts to draw strict conclusions are difficult at best because each agency adopts fee structures to reflect local fiscal, conservation, and political goals that may not be replicated in other agencies. These agencies are non-enterprise and rely upon property taxes. The percentage of tax revenue compared to total revenue for each agency varies from a low of 16% for Valley Center Cemetery District to a high of 65% for the Ramona Cemetery District.

Determination 5.1  **Fee schedules for services related to district costs.**

Commensurate with Section 9083 of the Health and Safety Code, the boards of trustees have set fee schedules to cover the cost of service that the district provides, and the costs are related to the reasonable cost borne by the district in providing the services. The schedules are reviewed periodically.

**Determination 6: OPPORTUNITIES FOR SHARED FACILITIES**

Public service costs may be reduced and service efficiencies increased, if service providers develop strategies for sharing resources, such as communication centers, wastewater treatment facilities, and distribution lines. Sharing both facilities and excess system capacity decreases duplicative efforts, may lower costs, and minimizes unnecessary resource consumption. The service review will inventory facilities in the study area to determine if facilities are currently being utilized to capacity and whether efficiencies can be achieved by accommodating the facility needs of adjacent agencies. Options for planning for future shared facilities and services also will be considered.

Determination 6.0  **There is no excess capacity within the region.**

The cemetery districts within the region utilize a strategy of developing acreage only as it is required for interments. Leaving land undeveloped until required helps controls
maintenance and capital costs. North County Cemetery District has 26 acres in Oak Hill Memorial Park and 12 acres in San Marcos Cemetery that have not been developed and are held in compliance with the Master Plan. Pomerado Cemetery District has 30 undeveloped acres that are addressed in the Master Plan.

Determination 6.1 The Health and Safety Code restricts facility use.

The sharing of cemetery capacities between districts is not possible. The use of cemeteries is clearly defined by Health and Safety Code Section 9060, which limits the use to qualified persons.

Determination 7: GOVERNMENT STRUCTURE OPTIONS

The municipal service review provides a tool to comprehensively study existing and future public service conditions and to evaluate organizational options for accommodating growth, preventing urban sprawl, and ensuring that critical services are efficiently and cost-effectively provided. While the service review does not require LAFCO to initiate changes of organization based on service review finding, LAFCO, local agencies, and the public may subsequently use service reviews to pursue changes to services, local jurisdictions, or spheres of influence. LAFCO may examine efficiencies that could be gained through: (1) functional reorganizations within existing agencies; (2) amending or updating spheres-of-influence; (3) annexations or detachments from cities or special districts; (4) formation of new special districts; (5) special district dissolutions; (6) mergers of special districts with cities; (7) establishment of subsidiary districts; or (8) any additional reorganization options found in Government Code § 56000 et seq.

Determination 7.0 Small overall workforce offer little potential for consolidation.

There are four public cemetery districts in San Diego County. All are in North County and have contiguous boundaries. Each of the districts has a very small number of employees, and in most cases the manager performs both the administrative and maintenance work. North County Cemetery District has 12 full time employees, Pomerado: 6, Ramona: 5 and Valley Center: 2. While no comprehensive study has been completed, because of the geographic distances and the very small number of employees, savings through consolidation seems unlikely.

Determination 7.1 Sphere of influence update for the Pomerado Cemetery District.

The public interest from the Miramar Ranch, Scripps Ranch and Mira Mesa areas of San Diego for the use of the Dearborn Memorial Park warrant the continued study of a sphere expansion and potential district annexation.

Determination 7.2 District annexation and sphere update for North County Cemetery District.

A study of potential boundary adjustment of the North County Cemetery District and its sphere of influence may be appropriate in order to address recent growth areas. Growth within the current sphere and growth near the district’s current southwest corner in the Cities
of Encinitas, Vista, and Carlsbad, and the San Elijo Hills area of San Marcos has generated public interest for access to a public cemetery.

**Determination 8: MANAGEMENT EFFICIENCIES AND BUDGET INFORMATION**

Management efficiency refers to organizational effectiveness of service delivery. Efficiently managed agencies consistently implement plans to improve service delivery, reduce waste, eliminate duplications of effort, contain costs, maintain qualified employees, build and maintain adequate contingency reserves, and encourage and maintain open dialogues with the public and other public and private agencies. The service review evaluates management efficiency by analyzing agency functions, operations, and practices – as well as the agency’s ability to meet current and future service demands. Services will be evaluated in relation to available resources and consideration of service provision constraints.

Determination 8.0 **Each agency in the region receives an annual independently-conducted auditors’ report.**

An independent auditor’s report, conducted in accordance with generally accepted auditing standards and the standards applicable to the financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States are routinely completed by each of the region’s agencies.

Determination 8.1 **Management-to-staff ratios within the region are reasonably low.**

The management-to-staff ratios vary within the region. Three of the agencies have “working management”, while only North County Cemetery District has a full time manager.

Determination 8.2 **The region’s record of employee turnover is reasonably stable.**

Rates of termination, resignation and retirement within the three-year reporting period are reasonably consistent within each agency.

**Determination 9: LOCAL ACCOUNTABILITY/GOVERNANCE**

Making a determination of local accountability and governance, LAFCO will consider the degree to which local accountability is fostered in the region. Local accountability and governance refers to public agency decision making and operational and management processes that: (1) include an accessible and accountable elected or appointed decision making body and agency staff; (2) encourage and value public participation; (3) disclose budgets, programs, and plans; (4) solicit public input when considering rate changes and work and infrastructure plans; and (5) evaluate outcomes of plans, programs, and operations, and disclose results to the public.
Determination 9.0  **The region’s Cemetery Districts operate within activities authorized in State Law.**

The region’s agencies limit their activities to services authorized by the Health and Safety Code. There is no incidence of an agency engaging in activity that is not delineated in its principal act.

Determination 9.1  **All Cemetery Districts comply with requirements for conducting public meetings.**

Two of the districts have three trustee boards and two districts have five trustee boards. In all cases, there is clear evidence of appropriate governance. Most trustees serve without compensation, and those that are compensated are done so at a very modest rate of $100 per meeting with a 4 meeting per month maximum. None of the boards offer any other form of compensation. In most cases there have been 12 meetings per year per district, with two districts holding 2 additional special meetings each.

Determination 9.2  **The region’s Cemetery Districts maintain outreach programs.**

Various methods, such as websites, newsletters, and speaking engagements are used by the region’s agencies to increase visibility and engage the public in agency activities. Nevertheless, turnout at public meetings is very rare, and usually only occurs when a family has a particular issue that cannot be resolved by the staff. Attendance at annual events such as Memorial Day Services or historic society tours have remained well attended over the years.

**SPHERE OF INFLUENCE**

*Sphere of Influence Requirements*

In conjunction with the requirement to conduct Municipal Service Reviews, the Cortese-Knox-Hertzberg Act obligates LAFCO to review and update, as necessary, spheres of influence for each local agency within LAFCO’s jurisdiction. Defined as a plan for the probable physical boundaries and service area of local government agency, a sphere is considered to be a planning tool that is designed to provide guidance in reviewing proposals, promoting the efficient provision of municipal services, and preventing duplication of service responsibility. In determining a sphere, the Commission is required to consider specific factors and make written determinations related to: (1) present and planned land uses in the area, including agricultural and open space lands; (2) present and probable need for public facilities and services in the area; (3) present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide; and (4) existence of any social and economic communities of interest in the area.
Sphere of Influence Analysis and Recommendations

In accordance with State Law, each LAFCO is obligated to develop and adopt spheres of influence for each city and special district in the County. Spheres provide guidance for individual proposals involving jurisdictional changes, and are intended to encourage efficient provision of organized community services and prevent duplication of service delivery. Spheres may be amended periodically; recent State Law directs that they be reviewed and updated every five years, as necessary.

Appropriate Boundaries

The boundaries of local governments should define territory where agencies can logically provide service(s). Accordingly, spheres of influence should be adopted to identify areas where a determination can be made that the agency will be prepared to provide efficient service(s) in the future. Including territory in an agency’s boundary that cannot logically be served or, conversely, excluding territory that can logically be served can cause inefficiencies and indicate that boundary adjustment is appropriate.

North County Cemetery District

On October 6, 1986, the Local Agency Formation Commission adopted the sphere of influence for the North County Cemetery District (SI86-12). The adopted sphere is larger than the District and encompasses an additional 48 square miles beyond current district boundaries. There have been no amendments to the District’s sphere since its establishment in 1986.

The District has requested the expansion of its sphere to include a total of 26,769 additional acres generally located along the southwest corner of the current sphere and east to the northwest corner of the current sphere boundary (see Map 1). The District has received burial requests from residents in newer communities that are not within the District’s sphere and jurisdictional boundary. The only other cemeteries located in proximity to these areas are Eternal Hills in Oceanside and San Luis Rey Mission Cemetery. Eternal Hills is a private cemetery and San Luis Rey is a public cemetery. North County Cemetery District has two cemeteries, Oak Hill Memorial Park in Escondido and the San Marcos Cemetery. With 103 acres available and approximately 60 acres currently developed for cemetery use, the availability of facilities to the proposed sphere expansion areas would not create additional costs to the District or significantly impact the use of available interment space. Incorporation of the proposed area into the District’s existing sphere and jurisdictional boundaries would potentially give the residents of those areas additional options as to the location and type of facilities to inter their family members.

The North County Cemetery District anticipates that it would commence procedures to annex the territory within its existing and proposed sphere of influence after the sphere is expanded. Costs associated with increased operational expenses would be covered by service fees from the customer at the time of purchase of burial plots. The annexed areas would be established as separate zones in accordance with California Health & Safety Code Sections 9090-9092 and an additional use fee would be charged at the time of purchase of burial plots.
The North County Cemetery District states that with the growth in this area of the County, the need for cemetery services will increase. Requests for interment services from residents living outside of the District’s sphere have been occurring on a regular basis. Representatives of the North County Cemetery District have indicated that capacity is available at its locations to accommodate the increased demands for district services.

**Pomerado Cemetery District**

On October 6, 1986, the San Diego LAFCO adopted a coterminous sphere of influence for the Pomerado Cemetery District (SI86-14). The sphere and district boundaries include 80 square-miles. There have been no amendments to the District’s sphere since its establishment in 1986.

The District has requested the expansion of its sphere to include a total of 134,805 additional acres located in the areas immediately east, south, and west of the current sphere (see Map 2). The proposed sphere expansion area has significantly developed since the District’s sphere was established 1986. Requests for burial services have been received by the District from residents outside of the current sphere of influence and the only other cemetery serving this area is El Camino Memorial Park, a private cemetery located about 10.7 miles southwest from Pomerado’s district office.

Dearborn Memorial Park, Pomerado Cemetery District’s facility, consists of about 20 acres with approximately 10 acres developed for cemetery use. The developed burial ground is about 48 percent full, with respect to burials only. The proposed sphere expansion would have minimal impact on the District’s resources in providing additional services.

The Pomerado Cemetery District has indicated that their cemetery services are available now for the proposed sphere expansion area. The District operates on funding that comes from property taxes and fees that the District charges for burial rights and services. The District would establish a zone for the annexed areas pursuant to California Health & Safety Code Sections 9090-9092. The District would charge an additional fee at the time of purchase of burial plots.

The Pomerado Cemetery District is the only public cemetery in the proposed sphere expansion area. There are two privately owned cemeteries within a 15-mile radius; El Camino Memorial Park is located 10.7 miles from Pomerado Cemetery District and El Cajon Cemetery is 14.6 miles away from the District.

According to representatives of the Pomerado Cemetery District, residents outside of the District’s sphere of influence have been requesting burial service on a continual basis. The District has the capacity at Dearborn Cemetery to accommodate these demands.

**Ramona Cemetery District**

On October 6, 1986, the San Diego LAFCO adopted the sphere of influence for the Ramona Cemetery District (SI86-13). The adopted sphere is larger than the District and
encompasses an additional 15 square-miles beyond current district boundaries. The additional territory is located along the northern and northeastern boundaries of the District including Witch Creek, Mesa Grande, and Santa Isabel (Map 3). There have been no amendments to the District’s sphere since its establishment in 1986. Ramona Cemetery District has not requested any amendments to its sphere of influence. The District’s developed resources meet expected demands for several years into the future.

Valley Center Cemetery District

On October 6, 1986, the San Diego LAFCO adopted a coterminous sphere of influence for the Valley Center Cemetery District (SI85-52). The sphere and district boundaries adopted include 235± square-miles (Map 4). There have been no amendments to the District’s sphere since its establishment in 1986. Valley Center Cemetery District has not requested any amendments to its sphere of influence. The District currently has the capacity to address the growth demands for several years in this rural, low density community.

CONCLUSION

In accordance with the requirements of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, LAFCO staff has prepared this San Diego County Municipal Service Review and Sphere of Influence Update for the cemetery districts in the County of San Diego. Municipal service reviews are required by State Law when comprehensively updating spheres of influence and are important information reports that assist LAFCO, affected agencies, and the public in coordinating the efficient provision of public services to support anticipated growth. Sphere of influence evaluations are intended to promote the logical and orderly development of an area by comprehensively researching the current sphere and updating them, as necessary. The subject agencies located within the service review study and sphere of influence evaluation areas include the North County Cemetery District, Pomerado Cemetery District, Ramona Cemetery District, and Valley Center Cemetery District.

Included in the municipal service review are twenty-one determinations covering the areas required by State Law. These determinations indicate that the cemetery services provided in this region are generally adequate. Each district has revenues to support current services as well as to contribute to the capital reserve for future needs. LAFCO staff has also determined that justifiable conditions exist for a potential expansion to the sphere of influence for the North County Cemetery District in areas near the Cities of Vista, Oceanside, Carlsbad and Encinitas. LAFCO staff also concluded that a sphere of influence expansion may be justified for the Pomerado Cemetery District in the Miramar, Mira Mesa, and Scripps Ranch areas of the City of San Diego. Projected population growth in these areas, as well as the changing demographics, supports these potential sphere expansions. No changes are proposed to the spheres for the Ramona and Valley Center Cemetery Districts. Therefore, it is recommended that the existing spheres for these two districts be reaffirmed.
ATTACHMENT 1

RECOMMENDED STATEMENT OF DETERMINATIONS
PROPOSED AMENDMENT TO THE SPHERE OF INFLUENCE
FOR THE NORTH COUNTY CEMETERY DISTRICT

The following statement of determinations is prepared pursuant to Section 56425 of the Government Code for the amendment and update to the sphere of influence for the North County Cemetery District.

(1) The present and planned land uses in the area, including agricultural and open space lands.

The North County Cemetery District’s sphere of influence was originally adopted on October 6, 1986. The existing sphere includes approximately 30,720 acres located outside of the current boundaries of the District located in the Cities of Carlsbad, San Marcos, San Diego, Poway and unincorporated areas of the County. The District’s sphere has not been amended since it was established in 1986. As part of a comprehensive update, the District has requested that an additional 26,769 acres be added to its sphere located to the north, west, and south (refer to Map 1). The proposed sphere expansion area includes newer communities along the eastern boundaries of the Cities of Carlsbad and Encinitas. Territory within the proposed sphere is generally developed with a mixture of land uses.

(2) The present and probable need for public facilities and services in the area.

(3) The present capacity of public facilities and adequacy of public services which the agency provides or is authorized to provide.

The need for cemetery services and facilities within the proposed sphere expansion area has grown in recent years. A number of requests for interment services have been made from non-district residents of the county. Accordingly, the District has proposed that the area where the requests have been made be added to its sphere. The District has the capacity to serve the proposed sphere expansion area upon annexation. Approximately 60 acres within the District are currently developed for cemetery use; another 103 acres is available for future use. The availability of cemetery services to the proposed sphere expansion area would not create additional costs to the District.

(4) The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.

The sphere expansion area is linked with the District through topography and community interaction.
ATTACHMENT 2

RECOMMENDED STATEMENT OF DETERMINATIONS
PROPOSED AMENDMENT TO THE SPHERE OF INFLUENCE
FOR THE POMERADO CEMETERY DISTRICT

The following statement of determinations is prepared pursuant to Section 56425 of the Government Code for the amendment and update to the sphere of influence for the Pomerado Cemetery District.

(1) The present and planned land uses in the area, including agricultural and open space lands.

The Pomerado Cemetery District’s coterminous sphere of influence was adopted on October 6, 1986. The sphere has not been amended since its establishment. The Pomerado Cemetery District has requested that 134,805 acres located to the west, south, and east be added to its sphere in anticipation of a future annexation (refer to Map 2). The proposed expansion area includes parts of Miramar, Mira Mesa, and Scripps Ranch within the City of San Diego. Territory within the proposed sphere is generally urbanized and characterized by a mixture of land uses. The expansion of the sphere of influence will not affect present or planned land uses within the District or its sphere.

(2) The present and probable need for public facilities and services in the area.

(3) The present capacity of public facilities and adequacy of public services which the agency provides or is authorized to provide.

The need for cemetery services and facilities has grown in recent years as evidenced by the inquiries from non-district residents that have expressed interest in using Pomerado Cemetery District’s facilities. Pomerado Cemetery District is the only public cemetery in the proposed sphere expansion area. The District’s facility, Dearborn Memorial Park consists of 20 acres with approximately 10 acres developed for cemetery use. The District has capacity for the proposed sphere expansion area and subsequent annexation.

(4) The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.

Social and economic communities are not relevant in the proposed sphere expansion area.
ATTACHMENT 3

RECOMMENDED STATEMENT OF DETERMINATIONS
PROPOSED AFFIRMATION OF A LARGER THAN DISTRICT
SPHERE OF INFLUENCE
FOR THE RAMONA CEMETERY DISTRICT

The following statement of determinations is prepared pursuant to Section 56425 of the Government Code for affirmation of the larger than district sphere of influence for Ramona Cemetery District.

(1) The present and planned land uses in the area, including agricultural and open space lands.

Present and planned land uses within the district and its sphere include open space, agriculture, large-lot residential uses and the community of Ramona. Approximately 9,600 acres located outside of the District are currently included within the existing sphere. The affirmation of the sphere of influence will not affect present or planned land uses within the District or its sphere (refer to Map 3).

(2) The present and probable need for public facilities and services in the area.

(3) The present capacity of public facilities and adequacy of public services which the agency provides or is authorized to provide.

The need for urban level public services and facilities is limited within the District and its sphere since most of the territory is open space and large-lot residential uses. The District has adequate capacity to serve the residents within its existing boundaries and sphere.

(4) The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.

The areas included within the District’s sphere are the Witch Creek, Mesa Grande, and Santa Ysabel areas which are interrelated with the Ramona area. Residents and their families in these areas have been and will continue to be buried at district facilities.
ATTACHMENT 4

RECOMMENDED STATEMENT OF DETERMINATIONS
PROPOSED AFFIRMATION OF A COTERMINOUS SPHERE OF INFLUENCE
FOR THE VALLEY CENTER CEMETERY DISTRICT

The following statement of determinations is prepared pursuant to Section 56425 of the Government Code for affirmation of a coterminous sphere of influence for Valley Center Cemetery District.

(1) The present and planned land uses in the area, including agricultural and open space lands.

The present and planned land uses in the area are predominately open space, agriculture and large-lot residential. Affirmation of the District’s coterminous sphere of influence will not affect existing or planned land uses (refer to Map 4).

(2) The present and probable need for public facilities and services in the area.

(3) The present capacity of public facilities and adequacy of public services which the agency provides or is authorized to provide.

The need for most public facilities and services within the district is limited; the District has no plan to expand service beyond its current boundaries and sphere. The District has adequate capacity to serve the needs of its current residents.

(4) The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.

Social and economic communities are not relevant to the affirmation of this coterminous sphere of influence.
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