

# *Saratoga Cemetery District*

## **Board of Trustees**

**Minutes – January 14, 2009**

**District Offices**

**14766 Oak Street, Saratoga, CA 95070**

### **1. CALL TO ORDER:**

1.1 Meeting called to order at 4:00 p.m. by Chairman Gregory Fox.

### **2. ROLL CALL:**

2.1 Trustees present: Gregory Fox, Victoria Bosworth, Jim Sorden, Judy Johnstone and Jane Hopkins. Staff present: Gary Reed and Tim Zadel.

### **3. APPROVAL OF MINUTES OF LAST MEETING:**

3.1 Judy Johnstone requested that the minutes be changed to reflect that the Board Policy she presented on purchasing was a first reading of the policy. Jane Hopkins requested that paragraph three of Item 10.1 be changed to reflect that the Board had not made any decision on segregation of accounting duties. Jim Sorden wanted the minutes changed to reflect that Election of Board Officers should have been on the January Board meeting agenda. Judy Johnstone moved to approve the minutes of the last meeting as amended. Second by Vicky Bosworth. Unanimous.

### **4. PUBLIC PARTICIPATION:**

4.1 Seven members of the public arrived at various times to attend the meeting. Nikki Teeter asked if the Board meeting could be changed to another time outside of regular work hours so more people can attend. The request will be placed on the agenda for the next Board meeting.

### **5. AGENDA CHANGES:**

5.1 None.

### **6. COMMUNICATIONS:**

6.1 Written: Staff presented:

a) An agenda and registration forms for the Annual CAPC Conference to be held March 27-28, 2009 at the Embassy Suites Hotel, San Luis Obispo, CA. Board Members planning to attend the conference should contact staff so registration and hotel accommodations can be made.

b) Four buy notices from Wachovia Securities for \$100,000 bonds that were purchased and added to the District's new Land Acquisition investment account.

c) An invitation from the Saratoga Chamber of Commerce to advertise in its Business Directory and Community Guide. Staff commented that the District has never done any advertising in the past. Vicky Bosworth asked if the District is a member of the Chamber of Commerce. Staff replied that it is not.

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6.2 Oral:

a) Staff presented semi-annual sales and interment statistics. Comparing current year sales and interment statistics to a ten year average:

Full grave sales were 39.5% below average. Half grave sales were 28.6% below average.

Cremation niche sales were 19.4% below average. Full grave sales exceeded combined half grave and cremation niche sales by 48%.

Full casket interments were 5% below average. In-ground cremation interments were 15.5% above average. Cremation niche inurnments were 29.3% above average.

Combined in-ground cremation interments and niche inurnments exceeded full casket interments by 8%.

b) Staff reported on small claims court proceedings involving a claim and counter claim between Orloff/Williams & Leeper and the Saratoga Cemetery District. The claim by Orloff/Williams & Leeper against the District was originally dismissed without prejudice due to the fact that the claim was improperly filed (in which case the claim could be refiled). However, the court documents state that the case was continued to March 24, 2009. The District's counter claim was also continued to this date. Judge Johnstone stated that the Board only approved a counter claim for the amount paid toward web site development and should not include claims against other work done by Orloff/Williams for the District. Jane Hopkins stated that the Board had discussed recovering all charges for work done by Orloff/Williams for which the District did not receive full value. Jim Sorden concurred. Jane Hopkins moved that the prior motion be amended to reflect that the District pursue reimbursement of all money paid to Orloff/Williams for services and product that were improperly billed, not received or deficient in content. Second by Vicky Bosworth. Unanimous.

#### 7. CONTRACTORS AND PURVEYORS ATTENDING: None

#### 8. GROUNDSKEEPING AND MAINTENANCE REPORT:

##### 8.1 Staff reported that:

a) The water well has been completed. Guardino Well Drilling stopped drilling at a depth of 555 feet at which point they were 30 feet into cemented claystone and did not expect to find additional water at greater depth. Water bearing gravel was found at a depth of 420 to 460 feet. Additional water was also found below this depth. The 4

inch

test well was expanded to 8 inches. The static water level in the well is 159 feet. Using the airlift method it was determined that the well would produce 150 gallons per minute.

b) Three sections of redwood fence between the cemetery and adjacent properties

has

damage that requires repair. The person who installed part of the fencing has been retained to repair the damage. Staff will have the repair person contact the Teeters before entering their property to install a reinforcing post on one section of fence.

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Teeters will also be contacted to ensure that proper clean up was done before releasing payment for the repairs.

#### 9. CONTINUING BUSINESS:

9.1 Staff reported that the District's three investment accounts with Wachovia Securities are currently earning 4.80% to 5.05% annual return. A fourth investment account for Land Acquisition and Capital Investment funds was opened in mid December. Staff spoke with Sandra Wheeler of Wachovia Securities today and she said that she will be contacting Jim Sorden to discuss investment options for the remaining un-invested Land Acq. funds.

9.2 Jane Hopkins said that Dan Cable of EDA Land Planning will attend the February 11 Board meeting. Dan needs to get a contract to the District. Jane had some concerns about

EDA's attempts to avoid any potential liability especially since they were only doing a pre-design evaluation of cemetery needs. Continued to the next Board meeting.

9.3 Jane Hopkins revised Board Policies 201 and 202 to bring them into compliance with the Brown Act. The Board conducted a first reading of the revised policies. Vicky Bosworth

asked what has to be reported in open session at the conclusion of a closed session? Just the Boards action. A second reading of revised Board Policies 201 and 202 will take place at the next Board meeting.

Judy Johnstone handed out a draft of Board Policy 412 "Purchasing Policy" for review and discussion at next month's Board meeting.

9.4 Judy Johnstone said that she did not have time to work on duties of the Board Treasurer and probably would not be able to do it before the next Board meeting. She asked if any of the other Board members would be willing to take over this task. Vicky Bosworth said that she would. Judy will email what she has to Vicky, who will print it out for discussion at the next Board meeting.

9.5 Staff reported that no problems were encountered in transferring \$1,000,000.00 in Land

Acquisition funds from the County to the District's bank account. However, a request to transfer budgeted funds from the County to the bank account was first met with rejection because of insufficient funds. After a discussion with the County Controllers office it was acknowledged that the District has more than sufficient funds but they are allocated to different budget categories. A request for funds from another category was successful. Staff will keep the Board advised of any further limitations by having the County Treasurer serving as the District's Treasurer.

Staff reported that it is reasonable to keep Maintenance & Operations funds with the County or in the District's Bank of the West account since these funds are used to pay daily operating expenses. It is also reasonable to keep some Pre-Need funds with the County to cover prepaid expenses that become At-Need expenses. Some Land Acquisition and Capital Improvement funds should also be kept with the County or in Bank of the West to cover capital improvement expenses (such as the new well, pumps, etc.). However, there is no reason to keep Endowment Care funds with the County since these funds are long term investment funds that will not be needed for many years. Staff recommended that all Endowment Care funds be transferred to the existing Endowment Care accounts with Wachovia Securities. Jane Hopkins moved to transfer the remaining Endowment Care Funds from the County to Wachovia Securities. Second by Vicky Bosworth. Unanimous.

The Board will consider transferring part of the District's Land Acquisition and Capital Improvement funds from the County to Wachovia Securities at the next Board meeting.

## 10. NEW BUSINESS:

10.1 Judy Johnstone said that she did some research on segregation of duties in small companies and it can be done. Staff commented that the District can not segregate out receipt of revenue since there is often only one person in the office and all employees need to be able to accept payment from customers. Payment is almost always by check and all revenue is receipted. Judy said that the reconciliation process can be separated out. Staff agreed that it is good policy to have a professional accountant look over the books and will present a proposal in Item 10.5 to retain the services of an accountant. Jane asked about time cards for employees. All employees including the general manager punch a time clock. The general manager reviews all time cards and does payroll. The general manager also pays all invoices but all checks require the signature of two

Trustees. Vicky Bosworth said that for a three person the staff is doing a good job.

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10.2 Judy Johnstone said she had a hard time getting photos for the web site. Upon staff's recommendation she contact Felicia Pollack; Felicia had taken photos for the District's brochure. Judy contacted Felicia and selected approximately 20 photos. Felicia requested

payment of \$200 for the earlier photo shoot and \$10 per selected photo, to be supplied digitally on a disk. Greg Fox moved to approve payment to Felicia Pollock for up to \$400 for the photos. Second by Jane Hopkins. Unanimous.

Judy said that Jeff Johnston can host the web site for \$12.00 per month and provide maintenance such as posting agendas and minutes for \$40.00 per hour. Judy proposed a one year contract with Jeff. Greg Fox moved to approve a one year contract for up to \$100.00 per month for Jeff Johnston. Second by Jane Hopkins. Unanimous.

10.3 When the semi-annual merit pay was last approved, Judy Johnstone requested a benefits comparison for District employees and employees of the City of Santa Clara Mission City Memorial Park. Staff provided the comparison which indicates the District employees receive fewer benefits than those performing similar functions at the cemetery operated by the City of Santa Clara. Staff explained that part of the rationale for the Board awarding merit pay is that the District does not provide any retirement benefit. The amount awarded for merit pay has remained unchanged since 2002:

General Manager	\$2,000
Assistant Manager	\$1,500
Administrative Assistant	\$ 750

Vicky Bosworth moved to approve merit pay at the current amounts. Second by Greg Fox. Unanimous.

10.4 Staff provided the Board with figures on grave site availability in developed area and estimated grave site availability in undeveloped areas. Staff also answered questions as to which Blocks are developed and which ones are undeveloped.

10.5 Staff presented a proposal from accountant Jayne Brownlee. Mrs. Brownlee works part-time for the Santa Clara County Open Space Authority and was recommended by auditor Paul Kaymark as a professional who could assist in quarterly account reconciliation and audit preparation. The proposal estimates a time requirement of 20 to 40 hours annually at a rate of \$65 per hour. Staff met with Jayne for two hours and recommends that her services be retained as per the proposal.

Vicky Bosworth moved to accept the proposal as presented. Second by Greg Fox. Unanimous.

10.6 Staff presented two bids for installation of a pumping system for the new water well. The bids included the pump, 3 phase motor, VFD panel and accessories.

Guardino Well Drilling	\$34,000.00
K.H. Pump Company	\$37,709.37

The bids do not include electrical hook-up, connection to the existing irrigation system or an enclosure for the well site. Greg Fox said that using one of the larger electrical contractors might facilitate a faster response from PG&E for power hookup. After discussion Vicky Bosworth moved to approve the quote from Guardino Well Drilling with Greg Fox authorized to negotiate possible changes related to electrical work. Second by Jane Hopkins. Unanimous.

11. CLOSED SESSION:

**11.1 None Scheduled.**

**12. BOARD SIGNATURES:**

**12.1 Board signed Minutes of Last Meeting, Certificates of Ownership of Burial Rights and warrants.**

**13. ADJOURNMENT:**

**13.1 Meeting adjourned at 6:06 p.m.**

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**Gary T.S. Reed, General Manager**

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**Gregory T. Fox, Chairman**

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**Victoria Bosworth, Vice-Chairman**

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**James Sorden, Treasurer**

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**Judy Johnstone, Trustee**

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**Jane Hopkins, Trustee**