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Tim Deutsch  
General Manager

## ORANGE COUNTY CEMETERY DISTRICT

September 5, 2012

*\*Via Certified Mail, Return Receipt Requested and Facsimile\**

Hon. Thomas J. Borris, Presiding Judge  
Orange County Superior Court  
700 Civic Center Drive West  
Santa Ana, California 92701  
Via Mail Only

Orange County Grand Jury  
700 Civic Center Drive West  
Santa Ana, California 92701  
Facsimile: (714) 834-5555

**Re: Response to Grand Jury Report**

Dear Judge Borris and Grand Jury Members:

This is in response to the 2011-2012 Grand Jury Report entitled "Transparency Breaking Up Compensation Fog – But Why Hide Pension Costs?" ("Report") issued to the public on June 14, 2012. The Report is addressed to cities, districts, joint power authority and County Government in Orange County, including the Orange County Cemetery District ("District"). Pursuant to Penal Code Section 933 and 933.05, this response has been approved by the District's Board of Trustees.

### **Preliminary Statement**

As noted above, the Report is addressed and requires responses from all cities, districts joint power authority and County Government in Orange County. The findings and recommendations to some extent address systematic issues, some of which relate to the District more than others. In any event, the District can only be expected to speak for itself and not for any other government entities responding to the Report and all responses concern only the District's specific situation and not those of any other government entity.

The District responds to the Grand Jury's Findings and Recommendations which are applicable to the District as follows:

### **Finding 2 (F2): Content & Clarity Ratings for EXECUTIVE Compensation Costs**

*"Content and Clarity of the OC cities elected officials and executives over \$100,000 in base salary is improving in this 2<sup>nd</sup> year of ratings. On the other hand, there is understandably even more potential improvement possible for the Special Districts and joint power authority, which are in their 1<sup>st</sup> year of ratings."*

### **Response to Finding 2:**

The District disagrees with this finding as it applies to the District. The District was not included in the 2010-11 Grand Jury Compensation Transparency Review and was not informed as to the expectations prior to the Grand Jury's 2011-12 investigation.

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#### CEMETERY LOCATIONS

Anaheim Cemetery  
1400 E. Sycamore St.  
Anaheim, CA 92805  
(714) 535-4928

El Toro Memorial Park  
25751 Trabuco Rd.  
Lake Forest, CA 92630  
(949) 951-8244

Santa Ana Cemetery  
1919 E. Santa Clara Ave.  
Santa Ana, CA 92705  
(714) 953-2959

The District, however, has posted on its website the compensation of all of its employees, including the General Manager who is the only executive employee of the District who has a base salary that exceeds \$100,000. In addition to base salary, the District's website includes amounts of all employees' "Overtime," "Other Compensation/Benefits," "Insurance Costs" and "Pension Costs." (See attached "Salary & Benefit Summaries," attached hereto as Exhibit A.)

The District's Board of Trustees does not consist of elected officials, but rather they are appointed by the Board of Supervisors. The compensation for the Trustees is set by California Health and Safety Code section 9031 which provides that that each trustee "may receive compensation in an amount not to exceed one hundred dollars (\$100) for attending each meeting of the board, a member of the board of trustees shall not receive compensation for more than four meeting of the board in a month." (See attached Health and Safety Code section 9031, attached hereto as Exhibit B.)

**Finding 3 (F3): Content & Clarity for EMPLOYEE Compensation Cost Ratings**

*"This is the most opportunity for transparent reporting in the Content and Clarity of Employee Compensation Costs reporting on local government websites."*

**Response to Finding 3 (F3):**

The District disagrees with this finding as it applies to the District. The District was not included in the 2010-11 Grand Jury Compensation Transparency Review and was not informed as to the expectations prior to the Grand Jury's 2011-12 investigation. However, the District has posted the compensation of its employees on the District's website under "Salary & Benefit Summary" for 07/01/2011 to 06/30/2012, which has recently been updated for 07/01/2012 to 06/30/2013. The Summaries includes each employee's title, base salary, overtime, other compensation and benefits, insurance cost and pension cost, with a total compensation amount for each employee. (See attached "Salary & Benefit Summaries," attached hereto as Exhibit A.)

**Finding 4 (F4): Transparency of Employer Pension Contribution Rates**

*"Many Orange County local government websites do not generally post their employer pension annual contribution rates prominently to their websites as part of their compensation cost disclosure for public disclosure.*

*Specifically, their employer contribution percentages refer to the annual percentages of employee salary that the CalPERS (California Public Employee Retirement System) or OCERS (Orange County Employee Retirement System) requires of Orange County local governments to fund their employee guaranteed pension plans.*

*OCERS has the employer pension contribution rates buried in detailed actuarial reports and presentations on the OCERS website or requires member passwords to access these annual governmental funding rates. Thus, there is limited transparency for the public of these governmental pension contribution rates."*

**Response to Finding 4 (F4):**

The District agrees with this finding as it applies to the District. The District contracts with OCERS but it has not prominently posted the District's "employer" pension annual contribution rate on the website, although the District does post the annual amount of the District's pension cost for each employee. (See attached "Salary & Benefit Summaries," attached hereto as Exhibit A.) In addition, the District's current budget is posted on the District's website which also includes the projected and budgeted retirement contributions.

**Finding 5 (F5): Inclusion of Overtime and On-Call Pay in Employee Compensation Costs**

*"The Orange County 'de facto' standard for CCT in the county, cities, districts and JPA now contains all employees, including a page for executives and all elected officials. Two key categories are missing from compensation cost reporting. They are overtime pay and on-call pay. They have become important as the new 'de facto' compensation cost reporting standard which no includes all employees."*

**Response to Finding 5 (F5):**

The District agrees with this finding as it applies to the District. However, overtime was posted on the District's compensation summary as a lump sum total for the District's operational employees. The District does not have on-call pay.

The District does post the Groundskeeping Unit MOU by and between the District and the Service Employees International Union Local 721 CTW-CLC on its website that includes the provision regarding "Payment for Overtime." In addition, in the "Salary & Benefit Summaries," attached hereto as Exhibit A, which is posted on the District's website, the District discloses the overtime amounts for each position.

**Recommendations**

Additionally, the District must respond to the following recommendations by reporting one of the following actions: (a) the recommendation has been implemented, with a summary regarding the implemented action; (b) the recommendation has not yet been implemented, but will be implemented in the future, with a timeframe for implementation; (c) the recommendation requires further analysis, with an explanation and the scope, parameters and timeframe, not to exceed six (6) months from the date of publication of the Report; or (d) the recommendation will not be implemented because it is not warranted or is not reasonable, with a recommendation therefore.

**Recommendation 2 (R2): Content & Clarity of EXECUTIVE Compensation Costs**

*"The Grand Jury recommends that each of the forty-one of the fifty-seven Orange County cities, districts and joint power authority that were rated less than excellent for Content and Clarity for their Executive and Elected Official compensation costs page upgrade their Executive Compensation page. See Appendix D for a suggested*

*full disclosure model which is the same as 2011 with the addition of overtime, on-call pay and expanded descriptions, with particular emphasis on pension costs.”*

**Recommendation 2 (R2):**

This recommendation has been implemented. The District has posted the Fiscal Year 2012-13 compensation of its executives on the District website under “Budget & Salary Information”. This includes each executive’s title, base salary, overtime, other compensation and benefits, insurance cost and pension cost, with a total compensation amount for each executive. (See attached “Salary & Benefit Summaries,” attached hereto as Exhibit A.)

**Recommendation 3 (R3): Content & Clarity of EMPLOYEE Compensation Costs**

*“The Grand Jury recommends that the County of Orange and all Orange County cities, districts and joint power authority that were rated less than Excellent for Content and Clarity for the Employee compensation costs page upgrade their Employee pages. See Appendix D for a suggested full disclosure model which is the same as 2011 with the addition of overtime, on-call pay and expanded descriptions, with particular emphasis on pension costs.”*

**Recommendation 3 (R3):**

This recommendation has been implemented. The District has posted the Fiscal Year 2012-13 compensation of its employees on the District’s website under the heading “Budget & Salary Information”. This includes each employee’s title, base salary, overtime, other compensation and benefits, insurance cost and pension cost, with a total compensation amount for each employee. (See attached “Salary & Benefit Summaries,” attached hereto as Exhibit A.)

**Recommendation 4 (R4): Transparency of Employer Pension Contribution Rates**

*“The Grand Jury recommends that all of the Orange County cities, districts and joint power authority, as well as the County of Orange, post their employer pension annual contribution rates prominently and transparently on their web sites. Current and recent rates would be instructive and informative. It is recognized that some already do.*

*The Grand Jury recommends that OCERS display their members organizations annual contribution rates in a transparent way to the general public without password access on their web site. For a suggested model, see <http://calpers.ca.gov> and enter ‘public agency employer contribution search.’”*

**Recommendation 4 (R4):**

This recommendation has been implemented. Since the District contracts with OCERS, the District has posted the employer’s contribution rate (which is 17.76% for Fiscal Year 2012-13) on the District’s website under the heading “Budget & Salary Information”.

The District's website does not require any passwords to access any of the above information.

**Recommendation 5 (R5): Transparency of Overtime Pay and On-Call Pay in Employee Compensation Cost Reporting**

*"The Grand Jury recommends that all Orange County cities, districts and joint power authority, as well as the County of Orange, include overtime pay and on-call pay in the compensation cost reporting on their employees' compensation pages. See Appendix D for a suggested full disclosure model for these new compensation cost reporting categories."*

**Recommendation 5 (R5):**

This recommendation has been implemented. Overtime is included on the District's compensation summary for each of the District's operational employees. The District does not have on-call pay.

The District does post the Groundskeeping Unit MOU by and between the District and the Service Employees International Union Local 721 CTW-CLC on its website that includes the provision regarding "Payment for Overtime."

Regards,



Vivien Owen, Chair  
Board of Trustees  
Orange County Cemetery District

cc: Tim Deutsch, General Manager  
Steven B. Quintanilla, General Counsel

**ORANGE COUNTY CEMETERY DISTRICT**  
**SALARY & BENEFIT SUMMARY**

07/01/2012 TO 06/30/2013

TITLE	CLASS COUNT	SALARY	OVERTIME	OTHER COMP/BEN.*	INSURANCE COSTS	PENSION COSTS	TOTAL COMP
General Mgr.	1	\$117,998	\$0	\$5,100	\$30,024	\$29,004	\$182,126
Asst. to GM	1	\$68,347	\$0	\$0	\$20,934	\$18,078	\$107,359
Secretary	1	\$50,939	\$0	\$0	\$9,266	\$15,200	\$75,405
Cemetery Mgr.	1	\$75,753	\$0	\$0	\$21,648	\$18,522	\$115,923
Cemetery Mgr.	2	\$75,611	\$0	\$0	\$14,098	\$19,757	\$109,467
Cemetery Mgr.	3	\$76,058	\$0	\$0	\$21,650	\$19,638	\$117,346
Equip Mechanic	1	\$59,779	\$0	\$0	\$12,510	\$15,716	\$88,006
Lead Worker	1	\$62,770	\$2,000	\$0	\$17,284	\$16,502	\$98,555
Lead Worker	2	\$51,323	\$8,500	\$0	\$13,037	\$13,493	\$86,353
Lead Worker	3	\$50,698	\$4,500	\$0	\$18,138	\$12,269	\$85,605
Groundskeeper	1	\$46,883	\$1,000	\$0	\$12,653	\$12,326	\$72,861
Groundskeeper	2	\$38,397	\$4,000	\$0	\$10,061	\$9,246	\$61,704
Groundskeeper	3	\$44,283	\$8,000	\$0	\$13,240	\$10,663	\$76,187
Groundskeeper	4	\$46,883	\$8,000	\$0	\$15,908	\$11,969	\$82,761
Groundskeeper	5	\$46,883	\$8,000	\$0	\$13,465	\$11,524	\$79,872
Groundskeeper	6	\$38,773	\$2,000	\$0	\$12,763	\$9,786	\$63,322
Groundskeeper	7	\$42,867	\$4,000	\$0	\$12,305	\$10,648	\$69,820
Groundskeeper	8	\$46,749	\$4,000	\$0	\$10,784	\$11,313	\$72,846
Groundskeeper	9	\$46,883	\$500	\$0	\$15,908	\$11,289	\$74,581
Groundskeeper	10	\$46,883	\$500	\$0	\$14,151	\$12,251	\$73,785
Groundskeeper	11	\$46,883	\$5,000	\$0	\$10,796	\$11,969	\$74,648
Part-Time position		\$40,000	\$0	\$0	\$0	\$0	\$40,000
<b>SUBTOTAL</b>		<b>\$1,221,644</b>	<b>\$60,000</b>	<b>\$5,100</b>	<b>\$320,623</b>	<b>\$301,164</b>	<b>\$1,908,530</b>
Leave Payouts							\$20,000
Trustee Meeting Travel Expense (\$100 per meeting with a maximum of \$400 per month)							\$10,000
<b>TOTAL SALARIES &amp; BENEFITS</b>							<b>\$1,938,530</b>

## HEALTH AND SAFETY CODE

### SECTION 9031

9031. (a) The board of trustees may provide, by ordinance or resolution, that each of its members may receive compensation in an amount not to exceed one hundred dollars (\$100) for attending each meeting of the board. A member of the board of trustees shall not receive compensation for more than four meetings of the board in a month.

(b) The board of trustees, by ordinance adopted pursuant to Chapter 2 (commencing with Section 20200) of Division 10 of the Water Code, may increase the amount of compensation received for attending meetings of the board.

(c) In addition, members of the board of trustees may receive their actual and necessary traveling and incidental expenses incurred while on official business other than a meeting of the board.

(d) A member of the board of trustees may waive any or all of the payments permitted by this section.

(e) For the purposes of this section, a meeting of the board of trustees includes, but is not limited to, regular meetings, special meetings, closed sessions, emergency meetings, board field trips, district public hearings, or meetings of a committee of the board.

(f) For purposes of this section, the determination of whether a trustee's activities on any specific day are compensable shall be made pursuant to Article 2.3 (commencing with Section 53232) of Chapter 2 of Part 1 of Division 2 of Title 5 of the Government Code.

(g) Reimbursement for these expenses is subject to Sections 53232.2 and 53232.3 of the Government Code.