

# South Kern Cemetery District

15543 South Vineland Road

Bakersfield, CA 93307

(661) 845-2540

## AGENDA BOARD OF TRUSTEES MEETING OF THE SOUTH KERN CEMETERY DISTRICT ARVIN LIBRARY BOARD ROOM 201 CAMPUS DRIVE ARVIN, CA TUESDAY DECEMBER 16, 2014 AT 5:30 PM

1. **Call To Order:**
2. **Pledge of Allegiance:**
3. **Roll Call:**
4. **Public Comments and Communication:** This portion of the meeting is reserved for members of the public desiring to address the Board on any matter not on the agenda and over which the Board has jurisdiction. The Board will receive comments but will not respond or take any action. Any matter may be referred to staff for further review or disposition. The person addressing the Board is asked to state their name and address for the record. Each member addressing the public should limit their comments to two minutes in duration.
5. **Consent Calendar:** These items are routine and non-controversial. These items are approved in one motion unless a Board member or member of the public removes a particular item.
  - a) Approval of the Bill Paying List for November 2014: \$23,287.11
  - b) Approval and acceptance of minutes:  
November 18, 2014 Regular Meeting
  - c) YTD budget report
  - d) Investment, banking, and tax accounts report
  - e) Accounts receivable aging report
  - f) Burial activity report
  - g) Acknowledge receipt of all correspondence

### Report:

6. Albert and Associates presentation of the Fiscal Year 2013-14 Financial Statement and Audit Findings.

### Board Business:

7. Report, Discussion, and Possible Approval, RE: Amendment to the Engagement Letter with Albert and Associates for Audit Services.
8. Report, Discussion, and Possible Action, RE: Severing Payroll, Personnel, and Financial Services from the Kern County Auditor-Controller's Office. Continued Item

**9. District Manager Report:**

- 1. Tree Maintenance Update**
- 2. CSDA Committee Appointment**
- 3. District of Transparency Application**
- 4. SDLA Academy January 23<sup>rd</sup>-26<sup>th</sup> in Napa, CA**

**10. Committee Report:**

**11. Board Member Comments:**


**12. Closed Session:**

None

**13. Adjournment:**

Next regular scheduled meeting will be at 5:30PM on January 20, 2015

This is to certify that this agenda was posted at The South Kern Cemetery District Office, 15543 South Vineland Road Bakersfield, CA on December 12, 2014.



Dariny R. Brown  
District Manager

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The South Kern Cemetery District does not discriminate on the basis of disability in the access to, provision of or employment in its programs and activities pursuant to 29 United States Code Section 12132 and California Civil Code Section 54. Information regarding the rights provided under the Americans with Disabilities Act (ADA) may be obtained from the District Office. If you need special assistance to participate in any meeting, please contact the District Office at (661) 845-2540 to make reasonable arrangements to ensure accessibility to this meeting.

**South Kern Cemetery District**  
**Expenses by Vendor Summary**  
 November 2014

Check#

Nov 14

	Adobe Systems, Inc.	19.99	
	USPS	117.15	
	Embassy Suites Mandalay Beach Hotel	1259.40	
	Harbor Freight Tools	262.14	
	Bank Credit		-53.81
	Bank Credit		1.00
2713	Bank of America Business Card		1,653.60
2721	Anthem Blue Cross		1552.16
2736	Arrowhead		43.97
2722	Applied Technology Group, Inc.		79.00
2714	AT&T		224.06
2723	Blackburn Oil		114.39
2724	California Assn of Public Cemeteries		360.00
2725	California Valley Vault		4,940.00
EFT	CALPERS		879.24
2715	Chandra Mead		88.08
2726	Elite Site Services		107.50
2717	Farrell Neeley		50.00
2727	Johnny Tree Services		7,150.00
2728	Lamont General Store		81.41
2729	Lamont Sanitation		174.12
2718	Linda Leary		50.00
2730	Lowe's		72.13
2719	Manuel Pantoja		50.00
EFT	Meritcard Solution LP		151.29
2731	Mission Linen Supply		297.29
2732	Office Depot		259.16
2733	PA Security and Video		30.00
2720	PG&E		730.75
2734	UnitedHealthCare		624.96
2735	Richard Cox		3,524.00
	TOTAL		<u><u>23,287.11</u></u>

# South Kern Cemetery District

15543 South Vineland Road

Bakersfield, CA 93307

(661) 845-2540

## MINUTES BOARD OF TRUSTEES MEETING OF THE SOUTH KERN CEMETERY DISTRICT ARVIN LIBRARY BOARD ROOM 201 CAMPUS DRIVE ARVIN, CA TUESDAY NOVEMBER 18, 2014

1. **Call To Order:** Chairman Pantoja called the meeting to order at 5:30 PM
2. **Pledge of Allegiance:** Chairman Pantoja led the Pledge of Allegiance
3. **Roll Call:** Present were Chairman Pantoja, Vice-Chairman Neeley, and Trustee Leary. Trustee's Mead and Thome absent.
4. **Public Comments and Communication:** None
5. **Consent Calendar:**
  - a. Approval of the Bill Paying List for October 2014: \$11,413.84
  - b. Approval of Accounts Receivable Refunds: \$297.45
  - c. Approval and acceptance of minutes:  
October 21, 2014 Regular Meeting
  - d. YTD budget report
  - e. Investment, banking, and tax accounts report
  - f. Accounts receivable aging report
  - g. Burial activity report
  - h. Acknowledge receipt of all correspondence

Vice-Chairman Neeley made a motion to approve the consent calendar. Trustee Leary seconded the motion. Item is approved 3-0-2 (Mead and Thome absent).

### Board Business:

6. Report, Discussion and Possible Approval, RE: Professional Tree Service engagement to trim pine trees and complete removal of nuisance cypress trees.

Vice-Chairman Neeley made a motion to approve the contract. Trustee Leary seconded the motion. Item is approved 3-0-2 (Mead and Thome absent).

7. Report, Discussion, and Possible Action, RE: Severing Payroll, Personnel, and Financial Services from the Kern County Auditor-Controller's Office.

Direction was given to table this item until the December regularly scheduled meeting and to also assemble providers with pricing.

**8. District Manager Report:**

1. Day of the Dead Review
2. Donation by Neeley Construction
3. PERS Payroll Course

**9. Committee Report:** None

**10. Board Member Comments:**

**11. Closed Session:** None

**12. Adjournment:** Vice-Chairman Neeley motioned to adjourn and Trustee Leary seconded the motion, 5-0-0. The meeting was adjourned at 6:12 PM.

Respectfully Submitted,

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Danny Brown  
District Manager

**October 2014  
Income**

	<b>Nov 14</b>	<b>Fiscal YTD</b>	<b>Remaining</b>	<b>Budget</b>	<b>% Remain</b>
At Need Sales	\$ 10,498.00	\$ 91,622.00	\$ 133,378.00	\$ 225,000.00	59%
Pre Need Sales	\$ 4,716.00	\$ 37,523.00	\$ 39,977.00	\$ 77,500.00	52%
Fiscal Year Tax Apportionment	\$ 5,148.00	\$ 12,480.00	\$ 99,520.00	\$ 112,000.00	89%
Endowment and Investment Interest	\$ 836.00	\$ 426.00	\$ 9,774.00	\$ 10,200.00	96%
<b>Gross Profit</b>	<b>\$ 21,198.00</b>	<b>\$ 142,051.00</b>	<b>\$ 282,649.00</b>	<b>\$ 424,700.00</b>	<b>67%</b>

**Expenditures**

Personnel & Operations	\$ 23,007.00	\$ 91,590.00	\$ 171,050.00	\$ 262,640.00	65%
Maintenance and Grounds	\$ 4,376.00	\$ 15,325.00	\$ 79,275.00	\$ 94,600.00	84%
Administration Expenditures	\$ 7,901.00	\$ 43,884.00	\$ 23,576.00	\$ 67,460.00	35%
<b>Total Expense</b>	<b>\$ 35,284.00</b>	<b>\$ 150,799.00</b>	<b>\$ 273,901.00</b>	<b>\$ 424,700.00</b>	<b>64%</b>

**Profit/Loss** \$ (14,086.00) \$ (8,748.00)

**Morgan Stanley Investment Account**

	2/2014	3/2014	4/2014	5/2014	6/2014	7/2014	8/2014	9/2014	10/2014	11/2014
<b>2014</b>										
Opening Valuation	\$ 337,307.71	\$ 337,307.82	\$ 336,371.50	\$ 336,371.63	\$ 337,308.18	\$ 335,903.64	\$ 334,030.91	\$ 334,031.03	\$ 333,519.12	\$ 334,420.85
Credit/Debits/Transfers	\$ (954.45)	\$ (862.08)	\$ (954.44)	\$ (923.66)	\$ (954.44)	\$ (923.66)	\$ (954.45)	\$ (511.91)	\$ (892.61)	\$ (831.25)
Change in Value	\$ 954.56	\$ (74.24)	\$ 954.57	\$ 1,893.21	\$ (450.10)	\$ (948.07)	\$ 954.57	\$ (151.91)	\$ 1,794.34	\$ (33.58)
Closing Valuation	\$ 337,307.82	\$ 336,371.50	\$ 336,371.63	\$ 337,308.18	\$ 336,903.64	\$ 334,030.91	\$ 334,031.03	\$ 333,519.12	\$ 334,420.85	\$ 333,588.60

**Bank of America Account**

Checking Account	2687	\$ 92,243.18	\$ 87,994.49	\$ 91,176.17	\$ 62,623.12	\$ 69,771.21	\$ 94,786.28	\$ 110,235.68	\$ 108,207.77	\$ 111,965.44	\$ 121,023.21
Credit Card Received	1820	\$ 58,466.72	\$ 52,357.01	\$ 56,166.69	\$ 64,583.78	\$ 70,038.34	\$ 71,375.39	\$ 76,189.18	\$ 70,538.52	\$ 100,637.18	\$ 91,495.30
Special Projects	1130	\$ 37,564.24	\$ 38,692.32	\$ 39,555.04	\$ 40,510.66	\$ 41,434.98	\$ 42,390.14	\$ 43,314.53	\$ 44,289.70	\$ -	\$ -
<b>Total Cash On Hand</b>		\$ 168,274.14	\$ 179,043.82	\$ 186,897.90	\$ 167,717.66	\$ 181,244.54	\$ 208,551.81	\$ 229,739.39	\$ 223,015.99	\$ 212,602.62	\$ 212,518.51

**County Funds**

Tax Account Funds	42000	\$ 24,010.24	\$ 4,414.74	\$ 33,118.71	\$ 20,442.02	\$ 12,047.40	\$ 13,302.39	\$ 9,411.50	\$ 120.75	\$ 8,972.77	\$ 4,676.41
Endowment Care	42002	\$ 72,976.76	\$ 72,976.76	\$ 73,042.04	\$ 73,042.04	\$ 73,042.04	\$ 73,103.79	\$ 73,103.79	\$ 73,103.79	\$ 73,163.56	\$ 73,163.56
Land Purchase/Developm	42004	\$ 958.97	\$ 958.97	\$ 959.83	\$ 959.83	\$ 959.83	\$ 960.64	\$ 960.64	\$ 960.64	\$ 961.43	\$ 961.43
Pre-Need Sales	42005	\$ 165,036.88	\$ 185,036.88	\$ 175,767.33	\$ 175,767.33	\$ 155,916.63	\$ 155,916.63	\$ 155,916.63	\$ 155,916.63	\$ 156,048.20	\$ 156,048.20
<b>Total</b>		\$ 292,982.65	\$ 293,387.15	\$ 282,887.91	\$ 270,211.22	\$ 261,816.80	\$ 243,283.45	\$ 239,332.56	\$ 230,101.61	\$ 239,145.96	\$ 234,849.50

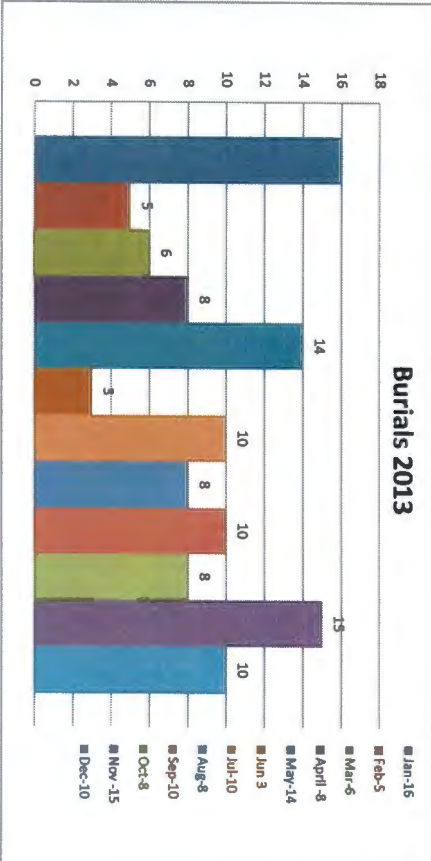
<b>Total All Cash Accounts</b>		\$ 808,564.61	\$ 779,802.47	\$ 806,157.44	\$ 775,236.98	\$ 778,964.78	\$ 788,886.17	\$ 803,162.98	\$ 786,636.92	\$ 789,169.43	\$ 780,957.71
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**South Kern Cemetery District**  
**A/R Aging Summary**  
**As of November 30, 2014**

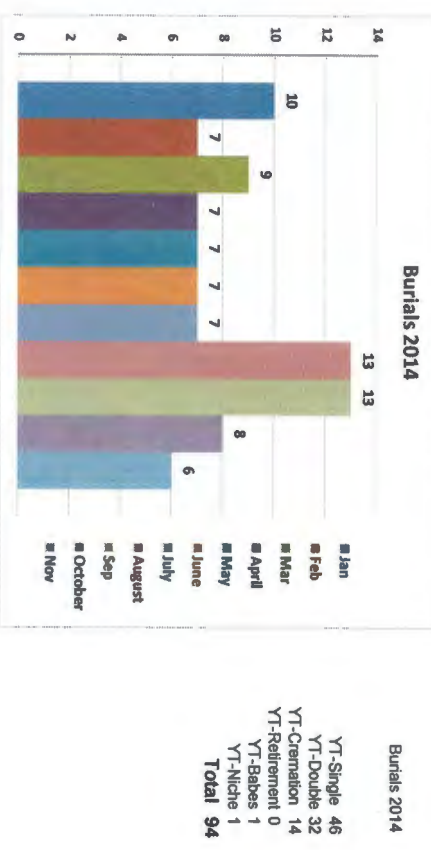
	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL
Abel Jaramillo Jr.	0.00	0.00	0.00	0.00	0.00	0.00
Adoracion Gonzales Barron	0.00	0.00	0.00	0.00	275.00	275.00
Agustin Calderon Mendez	0.00	850.00	0.00	0.00	0.00	850.00
Antonio Sandoval	0.00	0.00	0.00	0.00	251.68	251.68
Araceli Duran	0.00	0.00	0.00	0.00	936.76	936.76
Aurelio Cortez	0.00	0.00	0.00	0.00	905.00	905.00
Byron David Fleming	0.00	0.00	0.00	0.00	53.75	53.75
Carlos Alejandro Larios	0.00	0.00	0.00	0.00	820.00	820.00
Carrie Anderson	0.00	0.00	0.00	0.00	1,005.15	1,005.15
Cecilia Mendoza	0.00	0.00	842.00	0.00	0.00	842.00
Celia Medina Bonilla	0.00	0.00	0.00	0.00	1,616.00	1,616.00
Conrado Rodriguez, Sauseda	0.00	0.00	0.00	0.00	1,404.68	1,404.68
Cruz Gonzalo Elizabeth Contre...	0.00	0.00	0.00	0.00	1,817.38	1,817.38
Dominga Valdovinos Penalzoa	0.00	0.00	850.00	0.00	0.00	850.00
Dora Perez	0.00	0.00	0.00	0.00	1,312.96	1,312.96
Edward Brownen	0.00	0.00	0.00	0.00	1,265.24	1,265.24
Eliseo Raya Reyes	0.00	0.00	0.00	850.00	0.00	850.00
Elizabeth Ochoa	0.00	0.00	0.00	1,520.00	0.00	1,520.00
Enrique Hernandez	0.00	0.00	0.00	0.00	705.00	705.00
Guadalupe Navarro	0.00	0.00	0.00	0.00	1,479.50	1,479.50
Herminia Gomez	0.00	0.00	0.00	540.00	0.00	540.00
Jaime Calderon mendez	0.00	0.00	779.00	0.00	0.00	779.00
Jesus Coronado	0.00	2,253.75	0.00	0.00	0.00	2,253.75
Jesus R. & Manuela Martinez	0.00	0.00	0.00	0.00	569.00	569.00
Jesus Sosa	0.00	0.00	0.00	0.00	5.07	5.07
Joaquin Trigueros Gonzalez	0.00	0.00	0.00	0.00	280.00	280.00
Juan Manuel Pimentel	0.00	3.00	0.00	0.00	0.00	3.00
Lorena Moreno	0.00	850.00	0.00	0.00	0.00	850.00
Luis Benavides	0.00	0.00	0.00	0.00	2,730.00	2,730.00
Manuel & Everardo, Pantoja	0.00	0.00	0.00	0.00	3,640.38	3,640.38
María Carrera	0.00	0.00	0.00	0.00	785.75	785.75
Maria Quiros	0.00	0.00	0.00	0.00	0.00	0.00
Maria Trinidad, Martinez	0.00	0.00	0.00	0.00	635.00	635.00
Marisol G. Cardenas	0.00	0.00	0.00	0.00	2,130.25	2,130.25
Marlene Diane Baughman	0.00	0.00	0.00	0.00	1,665.00	1,665.00
Miguel Morales	0.00	850.00	0.00	0.00	0.00	850.00
Mike Havens	0.00	5.62	0.00	0.00	0.00	5.62
Mildred Ward	0.00	0.00	0.00	0.00	510.00	510.00
Patricia Amador	0.00	0.00	0.00	0.00	882.36	882.36
Petra Samaniego	0.00	0.00	0.00	0.00	480.00	480.00
Ramona Sierra	0.00	0.00	0.00	0.00	232.61	232.61
Robert Bartlett	0.00	2,685.00	0.00	0.00	0.00	2,685.00
Rosa Calderon	0.00	0.00	620.00	0.00	0.00	620.00
Rosa Fernandez Banda	0.00	0.00	0.00	0.00	63.13	63.13
Rosalie Dela Rosa	0.00	0.00	0.00	750.00	0.00	750.00
Roy Clough	0.00	0.00	0.00	0.00	0.00	0.00
Ruben Ray Marmolejo	0.00	0.00	0.00	0.00	1,710.00	1,710.00
Sandra Valdez	0.00	0.00	0.00	0.00	221.13	221.13
Shirley Ann Johnson	0.00	0.00	0.00	0.00	903.71	903.71
Susana Gonzales	0.00	0.00	779.17	0.00	0.00	779.17
Unknown	0.00	0.00	0.00	0.00	5,616.71	5,616.71
Virginia Bivins	0.00	0.00	0.00	0.00	720.55	720.55
<b>TOTAL</b>	<b>0.00</b>	<b>7,497.37</b>	<b>3,870.17</b>	<b>3,660.00</b>	<b>37,628.75</b>	<b>52,656.29</b>



**South Kern Cemetery District Arvin**



Burials 2013  
 YT-Single 49  
 YT-Double 34  
 YT-Cremation 21  
 YT-Retirement 1  
 YT-Babes 5  
 YT-Niche 3  
**Total 113**



Burials 2014  
 YT-Single 46  
 YT-Double 32  
 YT-Cremation 14  
 YT-Retirement 0  
 YT-Babes 1  
 YT-Niche 1  
**Total 94**

	2009	2010	2011	2012	2013	2014	Average
January	9	7	16	13	15	10	12
February	9	7	8	9	6	7	8
March	8	17	6	9	6	9	9
April	8	8	12	6	8	7	8
May	10	8	6	7	14	9	9
June	15	10	11	9	3	7	9
July	11	9	9	3	10	7	8
August	12	8	12	6	8	13	10
September	12	8	14	19	11	13	13
October	2	8	5	10	7	8	7
November	11	6	11	15	15	6	11
December	9	8	11	9	10		9
<b>Total</b>	<b>116</b>	<b>104</b>	<b>121</b>	<b>115</b>	<b>113</b>	<b>94</b>	<b>9</b>



California Special Districts Association  
**Registration Form**

Effective governance of a special district doesn't just happen. It requires knowledge, information and State Required education in order to fulfill the responsibility of representing the constituents in the most professional manner possible. The workshops, webinars and conference listed here were created to get you started.

One form per registrant. Please make copies as needed.

Name/Title:

District:

Phone:

Email:

Member status:  CSDA + SDRMA Member  CSDA Member  Non-member

**STEP 1: PLEASE INDICATE WHICH WORKSHOP OR WEBINAR YOU WOULD LIKE TO ATTEND.**

Total

**INTRODUCTION TO GOOD GOVERNANCE PRINCIPLES - Riverside Area: January 15, 2015**  
 (9:00 a.m. - 4:00 p.m.) Lunch provided by the California Special Districts Alliance  
 Western Municipal Water District  
 14205 Meridian Parkway, Riverside, CA 92518  
 \$225 - CSDA Member  \$375 - Non-Member

**INTRODUCTION TO GOOD GOVERNANCE PRINCIPLES - Orange County Area: January 22, 2015**  
 (9:00 a.m. - 4:00 p.m.) Lunch provided by the California Special Districts Alliance  
 Municipal Water District of Orange County  
 18700 Ward Street, Fountain Valley, CA 92708  
 \$225 - CSDA Member  \$375 - Non-Member

**INTRODUCTION TO GOOD GOVERNANCE PRINCIPLES - Humboldt County Area: April 16, 2015**  
 (9:00 a.m. - 4:00 p.m.) Lunch provided by the California Special Districts Alliance  
 McKinleyville Community Services District, Azalea Hall  
 1620 Pickett Road, McKinleyville, CA 95519  
 \$225 - CSDA Member  \$375 - Non-Member

INTRODUCTION TO GOOD GOVERNANCE PRINCIPLES SUBTOTAL 1:

**STEP 2: REQUIRED AND RECOMMENDED TRAINING**

Total

**Required Ethics Compliance Training – AB1234 (webinar)**  
 March 4, 2015, 10:00 a.m. – 12:00 p.m.  
 Free SDRMA Member  \$69 CSDA Member  \$99 Non-Member

**Required Sexual Harassment Prevention Training for Special Districts (webinar)**  
 January 14, 2015, 10:00 a.m. – 12:00 p.m.  
 Free SDRMA Member  \$69 CSDA Member  \$99 Non-Member

**Introduction to Special District Finances for New Board Members (webinar)**  
 February 26, 2015, 10:00 a.m. – 12:00 p.m.  
 Free SDRMA Member  \$69 CSDA Member  \$99 Non-Member

CONFERENCE SUBTOTAL 2:

**STEP 3: SPECIAL DISTRICT LEADERSHIP ACADEMY CONFERENCE - JANUARY 25-28, 2015 - Embassy Suites, Napa Valley**

<input type="checkbox"/> <b>EARLY BIRD: DEC 23</b>	<input type="checkbox"/> \$600 1st attendee CSDA Member	<input type="checkbox"/> \$650 1st attendee CSDA Member
	<input type="checkbox"/> \$725 Non-Member	<input type="checkbox"/> \$775 Non-Member
	<input type="checkbox"/> \$400 each additional attendee from the same CSDA member district	<input type="checkbox"/> \$450 each additional attendees from the same CSDA member district
	<input type="checkbox"/> \$525 each additional attendee from the same Non-Member district	<input type="checkbox"/> \$575 each additional attendee from the same Non-Member district

(COMBINE SUBTOTAL 1, 2 AND 3) ---- TOTAL AMOUNT DUE:

**Payment information**

Check  Visa  MasterCard  American Express  Discover

Acct. name:

Acct. Number:

Expiration date:

Authorized Signature:

# MEMORANDUM

## ITEM 7

### SOUTH KERN CEMETERY DISTRICT

**TO:** Honorable Chairman and Board Members

**FROM:** Danny Brown, District Manager

**DATE:** December 16, 2014

**RE:** Report, Discussion, and Possible Approval, RE: Amendment to the Engagement Letter with Albert and Associates for Audit Services.

**Background:** Albert and Associates, LLP is nearing completion of the current year audited financial statement. With that, we have had significant setbacks related to a variety of issues. As such, Albert and Associates is requesting an amendment to the engagement letter.

**Summary:** Under the agreement, the initial cost was \$6500 and a price not to exceed 75% on any items above that. We have exceeded that price. And a recommendation was to use the 65% formula at the current billing. Our current billing sets at \$13,975 under the 75%. With the new engagement agreement we would save 10% more. We anticipate finalizing this item immediately.

**Budget Impact:** TBD- based on the ending billing

**Discussion:** Staff has been working to correct the issues with the accounting program initiated in 6/30/2009. There have been many errors and omissions and we are now completing the corrections and updating the accounting processes and procedures.

# Albert & Associates, LLP

*Certified Public Accountants*

December 7, 2014

Board of Trustees  
and Danny Brown, District Manager  
South Kern Cemetery District  
15543 South Vineland Road  
Bakersfield, CA 93307

Our engagement letter with you for the June 30, 2014 audit (dated 9/12/14) included the following paragraph regarding the audit fee:

Engagement Administration, Fees, and Other:

We expect to begin our audit in September 2014 and to issue our reports no later than November 2014. Mark Albert is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. Our fee for these services will be at 75% of our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, excluding expenses, will not exceed \$6,500. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit and the complexity of the work being performed. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

We have encountered unexpected circumstances during the audit which have required us to expend significant additional time. These circumstances primarily consist of us receiving from you a second trial balance containing new activity after we had spent significant time auditing the first trial balance. Also, we have found the bank reconciliations to be unreliable. There have been other issues as well.

Accordingly, we need to arrive at a new fee estimate. Right now our unbilled fee balance under the 75% formula stands at \$13,975. We are nearing completion of the audit phase and will soon start preparing the financial statements. We propose to modify the fee by removing the \$6,500 cap and bill under an overall 65% formula rather than the 75% formula.

We appreciate the opportunity to be of service to South Kern Cemetery District. If you have any questions, please let us know. If you agree with the modified terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

*Albert & Associates, LLP*

RESPONSE:

This letter correctly sets forth the understanding of the South Kern Cemetery District.

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

AGRI-BUSINESS CENTER  
2235 Highway 46 • Suite 101 • Wasco, CA 93280  
Phone 661/758-1191 • 661/399-2236 • Fax 661/758-6195  
cpafirm@albert-cpa.com

TRUXTUN PLAZA  
3434 Truxtun Ave., Suite 180 • Bakersfield, CA 93301  
Phone 661/399-2236

# MEMORANDUM

## ITEM 8

### SOUTH KERN CEMETERY DISTRICT

**TO:** Honorable Chairman and Board Members

**FROM:** Danny Brown, District Manager

**DATE:** December 16, 2014

**RE:** Report, Discussion, and Possible Action, RE: Severing Payroll, Personnel, and Financial Services from the Kern County Auditor-Controller's Office. Continued Item

**Background:** Attached is a timeline for implementation and with the payroll W-2 cycle beginning the 22<sup>nd</sup> of this month, Staff recommends approval of the lowest received bid in order to stay current with the payroll schedule.

**Summary:** Adopted budget includes \$1000 for service charges and related payroll fees. All fees reflect the annual cost plus the processing fee related to the W-2 issuance. The top contention bids received are listed as follows:

ADP	\$1102.32
Benefit Mall	\$1453.25
Paychex	\$ 875.00

**Budget Impact:** Budgeted For Item

**Discussion:** Staff has already began the migration process and the agreement simply awaits board approval.

# Custom ADP® Payroll Recommendation and Price Proposal\*

Prepared for: <b>Danny Brown</b>	Number of Employees: <b>7</b>
Presented by: <b>Isaias Ruiz</b>	Payroll Frequency: <b>Semi-Monthly</b>

## WHEN YOU CHOOSE RUN POWERED BY ADP®, HERE'S WHAT YOU CAN EXPECT:

- Run payroll in real time anytime, anywhere with secure online or mobile access
- Print your own checks or have them delivered
- Pay your employees via direct deposit or check
- Highly-skilled implementation specialists and both online and phone support
- Extensive online reports and employee access to pay history

## RECOMMENDED SOLUTION: **ADP® ESSENTIAL PAYROLL**

Keeping up with filing deadlines and changing regulatory requirements is a real challenge for small business owners. But RUN Powered by ADP can help. We'll calculate, file, deposit and reconcile your payroll taxes. We'll even respond to inquiries from taxing agencies regarding the deposits and returns we file for you. Best of all, if we make a tax filing error, we pay the resulting fines or penalties imposed by the taxing authorities, not you.\*\* And, we'll keep you informed on the latest HR best-practices and other information to help you manage your employees.

### *Here's what ADP® Essential Payroll can do for you:*

#### INDUSTRY-LEADING PAYROLL PROCESSING

- Payroll Tax Deposits & Filing (Federal/State/Local)
- New Hire Reporting
- Year End Processing, including W-2s\*\*\*
- Full Service Direct Deposit
- Payroll Preview
- Employee Access
- 15+ Online Reports

#### ESSENTIAL HR INFORMATION & EDUCATION

- State & Federal Resources
- HR Checkups
- Tip of the Week
- Quarterly Newsletter
- HR Dictionary

## ADDITIONAL INFORMATION:

Cost Per Payroll: **\$45.93** Set-Up Cost: **\$0.00**

\* This is a Proposal only. Fees are estimates and are subject to change based on variation in payroll details. Additional fees may be incurred if other services are purchased or for additional tax filings including, but not limited to, additional states or 'applied for' statuses. Please consult with your sales representative for further details.

\*\* Payment of resulting penalties subject to provisions of ADP Sales Order Terms and Conditions.

\*\*\*Additional fees apply.

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### Your BenefitMall Team

#### Offerings

- Employee Benefits
- Payroll & HR Solutions

#### Technology

- HR & Payroll SaaS Solutions
- Broker Tools

#### Your Support Team

- Single Point of Contact for Support
- Experts in Tax, Health Care Reform & HR Compliance



### Your Trusted Advisors

Accounting Firms

CPA's

Brokers

Bankers

Partners

## South Kern Cemetery

Payroll Services Proposal  
November 26, 2014



## **Payroll Services Proposal Prepared for South Kern Cemetery**

### **Table of Contents**

#### **Section One**

- **BenefitMall Overview**

#### **Section Two**

- **Payroll Solution**
- **Processing Fees**
- **PayrollOnline Features and Benefits**
- **Optional Services**





## SECTION ONE

### Overview

**Who We Are:** At BenefitMall®, we have an all together better way of doing business. Working with a network of more than 20,000 Trusted Advisors, comprised of Brokers and Accounting Professionals, we deliver payroll, HR and employee benefits to more than 200,000 small and medium-sized businesses. Combining efforts with our Trusted Advisors, we are the single, informative resource that helps employers identify and provide the best benefits solutions for their employees ranging from medical and dental plans to accurate and timely payroll.

Our growing nationwide network of field offices serves client companies ranging in size from one to over 10,000 employees in all 50 states.

**What We Do:** BenefitMall is committed to offering innovative payroll products and service solutions to clients from small start-ups with one employee, to large national corporations with up to 10,000 employees. Our selection of CompuPay® Payroll Services and employer solutions is designed to be tailored to each individual client's needs. We can reduce the burden in dealing with Payroll and HR administration, as well as the risk associated with being compliant (tax, HR and PPACA). We can also help with designing the best employee benefit packages for your clients. Our payroll and tax filing services include traditional payroll services such as phone and fax, online payroll, specialty payroll and payroll software.

Whether you're a small start-up business with one employee or a national corporation with several thousand employees, confidence and peace of mind come from knowing that we offer:

- **Highly innovative and flexible products, including the industry's most advanced Internet and PC-based tools**
- **A broad range of human resource and additional products and services such as 401k, Sect125 Flex plans, workers compensation insurance, pay cards, online access to W2's**
- **An acclaimed client services team that earns some of the highest retention and satisfaction rates in the industry**
- **Over 30 years of dedicated payroll experience**

**Partners:** BenefitMall has partnered with member-based associations, Accounting Professionals, financial institutions, franchise organizations and business organizations to offer payroll and payroll-related services to their clients. We approach select organizations as business partners, seeking to understand their client bases and how the right payroll products and processes can help partners attract and retain clients.

**Innovation:** BenefitMall has a history of innovation in payroll technology. As a service leader, BenefitMall is committed to providing innovation in services as well as technology. Client service teams in each of the company's processing centers are made up of trained payroll specialists, many of them certified CPP and FCP by the American Payroll Association. With its commitment to professional yet flexible client service, BenefitMall is quickly becoming the preferred payroll alternative.

**The BenefitMall Difference:** What makes the BenefitMall team stand out? It's our people. It's our dedication to our Core Values, teamwork, respect, integrity and personal accountability, which sets us apart. Plus, when you combine that with our legendary service we not only stand out in a crowd – but we stand above the crowd.

***BenefitMall. All together, better.***



## **SECTION TWO**

### **Payroll Solution**

**CompuPay Payroll Online:** An online solution for payroll maintenance, time & earnings entry, reporting, and human resource functions.

### **Set-Up Charge**

No set up charges!

### **Processing Fees**

**BenefitMall proposes the following per check per processing pricing to South Kern Cemetery based on your payroll frequencies and employee count:**

- *\$40.25 base charge*
- *\$3.4 per check per processing (5employees)*

***Totaling \$57.25***

### **Year-End Fees**

BenefitMall will charge **South Kern Cemetery** a base charge of \$49.50 per FEIN and \$5.95 per W-2.

### **Optional Services**

BenefitMall offers the following optional services:

**PayAgent - Garnishment Check Payment Service (optional) - \$3.25/per check**

**HR360/Manager Help Line - \$300.00 per year each**

HR360 is a comprehensive Web based library of human resources information that can provide answers to many of your HR-related questions.

#### HR Information:

- Benefits and compensation
- Compliance
- Equal employment opportunity
- Performance and productivity
- Recruiting and staffing
- Risk management and safety

#### HR Tools:

- HR policy handbook
- Compliance posters state and federal
- Federal reporting forms
- HR surveys & reports
- Job descriptions database



- Interview discipline issues
- Alerts for state minimum wage laws
- Family Medical Leave Act updates
- Hundreds of downloadable forms

Manager Help Line: Call and speak with an experienced HR consultant and receive practical step by step guidance and suggestions to resolve your HR situation in a lawful, yet sensitive manner.

### **QB Enterprise Interface**

BenefitMall will have our Professional Services build an interface with your QuickBooks Enterprise solutions so when payroll is processed you will download into your accounting GL.

### **PayrollOnline Features**

Services included with this pricing are as follows:

- Payroll Processing - Laser Checks (signed and sealed in self-mailer), Workers Comp Report, New Hires, Direct Deposit Advices, Pay Period Reports via the web, Payroll Quickview (Gross to Net), ESS (employee self-service – view only paystubs & W-2's)
- Tax Filing Service - Federal, State, and Local taxes filed includes 940 & 941 returns includes year-end reconciliation
- 401K - match calculation and contribution electronic file to TPA (third part administrator) specs including additional code for 401K catch up file
- Benefit accruals -- ability to track vacation and sick time
- PayDetails - corporate user access to pay history
- Employee Self Service - Employee Self Service pay stubs and W-2's online
- Electronic New Hire Reporting
- Gross to Net Check Calculator - onsite manual check calculator/printer
- Ad Hoc Report Writer: Easy to use Built in report writer

Price will depend on the detail of GL

## Every Pay Period

- Payroll checks and earnings statements.
- Payroll journals, department summaries, cash requirements and deposits reports, new-hire/rehire reports, client time sheets.
- Employee payment options: direct deposit, Readychex®, check signing, and check insertion.
- New-hire reporting that meets federal and state compliance requirements.
- Electronic access to payroll reports, including up to four years of information, replacement W-2s, 1099s, and more.
- Labor law poster with hard copy or electronic option, plus necessary updates.
- Web site for information on HR news and issues in the workplace plus personnel forms.

## Each Deposit Period

We automatically deposit all tax liabilities on your behalf, including:

- FICA, federal, FUTA.
- State, SUI, disability, and local payroll taxes (if applicable).
- For your records, a record of all deposits made.

## On a Quarterly Basis

We automatically prepare, file, and supply:

- Federal and state payroll tax returns.
- Local tax returns where applicable.
- Copies of all filings for your records.
- Detailed employee earnings records, custom date range capability.

## Once a Year

We automatically prepare, file, and supply:

- Employer federal and state W-2s with W-3 recap.
- Form 940 Federal Unemployment Tax Return.
- Employee W-2s/1099s in sealed envelopes.
- Copies of all filings for your records.

Proposal presented on \_\_\_\_ / \_\_\_\_ / \_\_\_\_.

Valid for 30 days.

Sales Representative

Mario Carrillo

## Company Information

Company Name South Kern Cemetery District

Contact Danny Brown

Title DistrictManager

Phone No. 6618452540

E-Mail Address southkerncemetery@gmail.com

CPA Name \_\_\_\_\_

Payroll Frequency Bi-Weekly

No. of Employees 5

## Processing Fee

\$ 32.50

- Payroll Processing *Included*
- Taxpay® *Included*
- Employee Payment Options *Included*
- New Hire Reporting *Included*
- Online Reports *Included*
- Employee Access Online *Included*
- Check Logo *Included*
- Labor Compliance Poster Kit *Included*
- Online HR Library *Included*

Delivery Method courier \$ 10.00  
(online, courier, pickup, or mail)

**Estimated Per-Pay-Period Total** \$ 42.50

Activation Fee (One-time) \$ 0.00

## Annual Fee

Employee W-2/1099 \$ 85.00

(\$ 55.00 base + \$ 30 employee)

# Timeline & Action Plan

## Paydays



December 23, 2014 – Last payday/payroll reported under County’s tax ID numbers. This payroll will be included on 2014 W-2s filed by the County. (Districts must NOT implement new procedures until after this payday.)

January 6, 2015 – First payday of 2015 on the County’s payroll schedule. For County employees, it is payment for hours worked December 13<sup>th</sup> through December 26<sup>th</sup>. For districts still on the County payroll system, districts will need to make tax deposits themselves under the district’s tax ID numbers starting with this payday. County will furnish reports which will provide information to be reported. Some districts will have chosen to leave the County payroll system before this payday processes.

## Other dates

End of 1st quarter – We would expect most remaining districts to have moved off the County payroll system. For districts participating in KCERA, this would be true only if a solution had been found to make the appropriate data transfers.

December 31, 2015 – We would expect all districts to have moved off the County payroll system.

Please respond to Shawn’s email at [deschus@co.kern.ca.us](mailto:deschus@co.kern.ca.us) to provide a status of your transition process.

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## Payroll Taxes



We now have on file both federal and state tax identification numbers/accounts for each district. We supplied that information for review to each district in a mailing the week of December 1<sup>st</sup>. If you did not receive that mailing, please contact Shawn at [deschus@co.kern.ca.us](mailto:deschus@co.kern.ca.us) or (661) 868-3510.

- **IRS** Publication 15 (Circular E) can be found at: <http://www.irs.gov/pub/irs-pdf/p15.pdf>
- **State Employment Development Dept (EDD)**: [http://www.edd.ca.gov/Payroll\\_Taxes/](http://www.edd.ca.gov/Payroll_Taxes/)
- DE 44 (Employer’s Guide) can be found at: [http://www.edd.ca.gov/pdf\\_pub\\_ctr/de44.pdf](http://www.edd.ca.gov/pdf_pub_ctr/de44.pdf)

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## District’s Anticipated Payroll Transition Date

For districts moving to a Payroll Service: Please let us know as soon as possible whether you have selected a payroll service and the date you expect to transfer the district’s payroll to that service.

For districts planning to begin processing payroll ‘in house’ at the district, please let us know your expected transition date moving off the County payroll system.

As noted in section one above, please respond to Shawn to provide the status of your transition plan.

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## Funding payroll – Districts moving to a Payroll Service:

Please let us know if you are moving in this direction so we can discuss methods to fund payroll. It is our understanding that many payroll services require funding each payday for the gross payroll plus employer taxes in one lump sum amount. If you are planning to use voucher payments, please keep in mind take it takes two business days for the funds to arrive if the vendor (payroll service or other account) is on direct deposit (ACH transfer), or longer if a paper warrant is issued for the payment.

## Funding payroll – Districts taking payroll ‘in house’, processing internally by the district:

Please let us know if you are moving in this direction so we can discuss methods to fund payroll. If your district is moving payroll ‘in house’, the district will need to disburse funds to each payroll payee, including individual employees, taxing agencies for tax deposits, and voluntary and involuntary payroll deduction recipients. If you are planning to use voucher payments for any of these disbursements, please keep in mind take it takes two business days for the funds to arrive if the vendor (payroll service or other account) is on direct deposit (ACH transfer), or longer if a paper warrant is issued for the payment.



Note: The County does **not** allow anyone to process debits against the County’s bank accounts.

## 1st Quarter County payroll process (for Districts still on County payroll after January 1, 2014)

For districts remaining on payroll after January 1<sup>st</sup>, the payroll process will be modified so that districts process all payroll tax deposits and complete all payroll tax reporting under the districts tax IDs. The taxes withheld from employees (federal, state, FICA and SDI) plus the employer share of FICA will be put back into the district’s fund. The County will continue to remit voluntary deductions, such as deferred compensation, PERS, KCERA, levies, credit union, health benefits, New York Life, etc., using the same method currently used.

## Agreements and Indemnification

For any districts remaining on payroll for very long after January 1, 2015, during the first quarter of 2015 we will begin working on agreements to identify district and County payroll responsibilities and to indemnify the County.



## Questions?

Some of our employees have been receiving inquiries from districts. Please direct questions to Shawn DeSchutter at [deschus@co.kern.ca.us](mailto:deschus@co.kern.ca.us) or (661) 868-3510. She will direct all questions to the appropriate person to respond.