

November 7, 2019

To: Members
Community and Protective Services Committee

Re: Cemetery Schedule and Fee Review

RECOMMENDATION

1. That the Cemetery Fee Schedule for 2020 and 2021, as set out in Appendix B, be approved and the rates come into effect January 1, 2020.
2. That the amendments to *The Cemeteries Bylaw, 2008-27* as described in this report and Appendix A be approved.
3. That the City Solicitor be instructed to prepare the amendments to *The Cemeteries Bylaw, 2008-27* as described in this report.
4. That this report and associated bylaw be forwarded to the November 25, 2019, meeting of City Council for approval.

CONCLUSION

The City of Regina (City) Cemeteries are operated on a cost-recovery basis. Administration has reviewed the Cemetery fees and is recommending a 4 per cent increase for 2020 and 2021 to:

- Compensate for inflation.
- Continue restoration of existing infrastructure.
- Provide capital funding to develop new interment options to meet customer expectations.

The resulting fees will be in line with other municipally-operated cemeteries in Saskatchewan and other western provinces. This report further recommends updates to the Bylaw, including an amendment to the definition of “authorized decision maker” to make it clearer who the City will take instructions from with respect to a deceased person’s lot and to incorporate a change requested by Veterans Affairs for veteran memorialization.

BACKGROUND

The City operates two cemeteries, Riverside Memorial Park Cemetery and Regina Cemetery, which together have operated on a 100 per cent cost-recovery basis since 1987. Cemetery revenues come from two sources: fees and charges for goods and services provided and interest

income generated by the Care and Maintenance Trust Fund. This fund, comprised of a percentage from each plot sale, was established several years ago for the perpetual care and maintenance of the cemeteries. In 1999, an amendment to *The Cemeteries Act* exempted municipally owned cemeteries from maintaining a Care and Maintenance Trust Fund. Since then, no contribution directly from plot sales have been allocated to the fund. As a result, investment income earned by the fund has been relatively flat; the City must rely on fees and charges as the primary source of revenue to maintain and take care of its cemeteries.

Operating surpluses, resulting from annual revenues exceeding expenses, are transferred to the City's Cemetery Reserve. This reserve is used to fund capital projects, infrastructure, restoration and expansion within the cemetery program. Conversely, any operating deficits are withdrawn from the reserve to fund the shortfall. Currently, the balance in the reserve is \$293,934 and five-year capital expenditure forecast is \$120,000 annually.

The current fees for the cemeteries expires at the end of 2019. As such, Administration has undertaken a review to propose new fees for 2020 and 2021.

DISCUSSION

1. Summary of Research

To develop a new fee schedule, Administration has undertaken the following research:

- Analysis of trends impacting operations.
- Review of fees charged by other municipally owned cemeteries in the prairie provinces.
- Discussion with funeral homes and monument companies.
- Analysis of revenues, expenses and planned capital expenditures.

The following are highlights from this research.

a) Trend Analysis

Interment frequency has remained consistent over the past number of years, at an average of 600 interments annually. This limits the opportunity for increased revenue to fund rising operating costs and planned capital expenditures without raising fees and charges for the goods and services provided.

Interment type trends have shifted over the past 10 years from traditional (casket) interments representing the majority to now experiencing higher cremation interments. In 2018, the City's traditional interments were 35 per cent of total interments compared to 47 per cent in 2008. This change has an impact on revenue, reserve and capital budget as the general public are trending to the cremation style services, which is more economical.

b) Jurisdictional Comparison of Fees

In developing the proposed fee schedule, Administration reviewed other municipally-operated cemeteries. A summary of this research is provided in Appendix C. The research reveals that Regina's fees are comparable to other municipally owned cemeteries in the prairie provinces. While some cemeteries use the mill rate to provide supplemental funding to offset annual operating expenditures, the City's cemeteries currently operates at a 100 per cent cost recovery.

c) Funeral Homes and Monument Companies

Administration solicited information from local monument and funeral home businesses that conduct business at the City's municipal cemeteries. A bi-annual partners meeting was held on February 12, 2019 where Administration requested feedback on the current bylaw regulations. As well, site meetings were held with stakeholders to discuss any potential requests they may have to meet current customer demands. There have been no concerns raised by either stakeholder.

d) Revenues, Expenses and Planned Capital Expenditures

Interest earned through the Care and Maintenance Trust Fund has been used to subsidize annual operational expenses of the two municipal cemeteries since 1999 and has remained consistent in the last three years ranging from \$112,000 to \$118,000 annually.

Annual operating expenses consist of labour, equipment, material, fuel, and utility costs. Administration estimates that it will experience annual inflation of three percent, resulting in a cost increase of approximately \$35,000 per annum.

Contributions to the Cemetery Reserve are decreasing every year due to the trend of moving from traditional to cremation interments. Administration predicts that this trend will continue, potentially placing the Cemetery Reserve at risk. A financial analysis, considering planned capital expenditures, reveals that an additional one per cent fee increase each year is required over the next five years in order to fund upcoming capital projects.

The capital program provides resources for the installation of new cemetery assets, infrastructure, preventative maintenance of existing assets, and a variety of both in and above ground cremation options. Over the last 10 years, the capital program has focused on the installation of several new columbaria and strip foundations. Administration predicts this trend will continue for the next three to five years as cremation and niche purchases are becoming a more popular option.

Conversely, limited funding has been allocated to repair and restore existing assets and infrastructure such as roads, irrigation systems, turf and trees. It is vital that the aging infrastructure be addressed; much of it is beyond its lifecycle. The proposed fee increase will continue to meet customer needs and address restoration of the aging infrastructure

There will also be a need to design and install in and above ground infrastructure i.e. irrigation, roads, and plot layouts for expansion into the undeveloped area of Riverside Memorial Park Cemetery. This expansion is needed for new cremation options and areas as it is in higher demand.

2. Recommended Fees

As a result of the above analysis, for most fees, Administration is recommending a four per cent fee increase effective January 1, 2020 and a four per cent increase effective January 1, 2021. This approach was developed to ensure the cemeteries can continue to operate on a cost-recovery basis, considering both inflation as well as required capital expenditures to respond to changing trends and growth. It should be noted that several fees in the proposed schedule will remain unchanged. These items generate minimal sales yet represent a reasonable value to the customer. Other fees will be increased to improve cost recovery and to improve alignment with comparable municipally-operated cemeteries.

Overall, the approach ensures there is sufficient revenue to sustain current service levels and adequate funds to support restoration of assets and provide for additional options to meet customer needs. The proposed fee schedule is provided in Appendix B; fees are consistent with those provided by other municipally-operated cemeteries in the prairie provinces.

The following is a summary of proposed changes outside of the four per cent increase:

Family Columbaria

- Administration has received requests from local monument companies to offer family columbaria units. Family units are comprised of several niches that accommodate one to four cremated remains to be placed in each niche. These units are typically placed in a garden or path type setting. Regina Funeral Home and Cemetery and the City of Saskatoon cemetery now offer these options and have seen an increase in purchases.
- As a pilot project, Administration plans to purchase a small number of units this fall. A Request for Proposal (RFP) will be posted for all companies to have equal and fair opportunities to bid on selling these units to the City. Administration recommends pricing the units as a premium product above the price of the current family columbarium units.

New Fees

- Sunday and Statutory Holiday Surcharge - Administration is proposing to separate the Saturday interments fee from the Sunday and Statutory Holiday Fee. Other municipalities such as Saskatoon, Lethbridge and Prince Albert have also made this change with their fees and some only offer this on an emergency basis. This will ensure that we are continuing to provide a week-round service and that customers are aware of the fees associated with weekend and statutory day services.

3. Other Recommended Bylaw Changes

In addition to amending the bylaw with the new fees schedule, Administrations is proposing two new amendments, as outlined below.

a) Change to the Cemeteries Bylaw 2008-27 - Authorized Decision Maker

When a lot license owner is deceased, the City allows an “authorized decision maker” of the deceased to make decisions with respect to the lot. This would include returning a vacant lot to the City, transferring it to another owner, or authorizing additional interments into the lot. The Bylaw currently defines an “authorized decision maker” to include an extensive list of relatives prioritized by relationship, age, and willingness to act. This list was originally adopted from provincial legislation related to those authorized to provide burial instructions upon death. The provincial legislation does not apply to the transfer, return or authorization of additional burials in lots and so the City is not required to use the same definition.

Since adopting this broad definition, the City has found it challenging to verify “authorized decision makers”. This is due to the complexity of the list, complicated family structures and difficulty in obtaining verification of the person’s priority on the list (ie. that the higher priority persons on the list do not exist, are deceased, or are unwilling to act). Often the “authorized decision maker” is wishing to authorize additional interments in a deceased person’s lot. This can occur many generations after the initial interment and/or purchase of the lot. The City has no information with respect to whether a deceased person would have authorized additional interments in their lot. Administration is therefore recommending that the definition of “authorized decision maker” be amended to only allow the following persons to provide the City with instructions regarding a lot when the owner is deceased:

- The executor of the estate of the deceased;
- A court appointed administrator of the estate of the deceased; or
- Any other person authorized by law.

No significant concerns were brought forward after consulting with local funeral homes on this change.

b) Field of Honour – Veteran Memorials

Veteran Affairs recently informed Administration of the changes to the specifications for engraving a veteran’s memorial. Changes reflected in Appendix A reflect the new specifications provided from Veterans Affairs Canada.

RECOMMENDATION IMPLICATIONS

Financial Implications

It is estimated that increasing the fees by 4 per cent annually, combined with operating surpluses and annual revenues exceeding projections, this will provide approximately an additional \$120,000 in revenues that will be transferred to the Cemetery Reserve for future capital projects. As such, approval of the proposed fee schedule will ensure that there is funding available to meet increased operating expenses and to continue addressing capital infrastructure requirements.

Environmental Implications

None with respect to this report.

Policy and/or Strategic Implications

The recommendations proposed in this report support long-term management and maintenance of cemetery assets. This initiative supports the *Design Regina: The Official Community Plan Bylaw 2013-48* (OCP) Community Priorities of promoting long-term financial viability; fostering economic prosperity. This initiative supports the following OCP goal: Financial Policies, Goal 1: Use a consistent approach to funding the operation of the City of Regina.

Other Implications

None with respect to this report.

Accessibility Implications

None with respect to this report.

COMMUNICATIONS

Information about the new rates will be distributed to funeral homes and monument suppliers in the Regina area and will be available at City Hall, Riverside Memorial Park Cemetery and Regina.ca. Administration will work with Citizen Experience to ensure the public is made aware of the fee changes.

DELEGATED AUTHORITY

The recommendations contained within this report require City Council approval.

Respectfully submitted,



Laurie Shalley, Director, Parks, Recreation & Cultural Services

10/23/2019

Respectfully submitted,



Diana Hawryluk, Executive Director, City Planning & Community Dev.

10/29/2019