

February 26, 2018

To: His Worship the Mayor  
And Members of City Council

Re: Finance and Administration Committee: Cemetery Fee Schedule for 2018 and 2019

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RECOMMENDATION

**RECOMMENDATION OF THE FINANCE AND ADMINISTRATION COMMITTEE  
- FEBRUARY 3, 2018**

1. That the Cemetery Fee Schedule for 2018 and 2019, as set out in Appendix B, be approved and the respective rates come into effect March 05, 2018.
2. That the City Solicitor be instructed to prepare and bring forward the amendments to *The Cemeteries Bylaw 2008-27* in this report, as described in Schedule A.

*FINANCE AND ADMINISTRATION COMMITTEE - FEBRUARY 13, 2018*

The Committee adopted a resolution to concur in the recommendation contained in the report.

Recommendation #3 does not require City Council approval.

Councillors: Bob Hawkins (in the Chair), Sharron Bryce, Jason Mancinelli, and Barbara Young were present during consideration of this report by the Finance and Administration Committee.

The Finance and Administration Committee, at its meeting held on February 13, 2018, considered the following report from the Administration:

RECOMMENDATION

1. That the Cemetery Fee Schedule for 2018 and 2019, as set out in Appendix B, be approved and the respective rates come into effect March 05, 2018.
2. That the City Solicitor be instructed to prepare and bring forward the amendments to *The Cemeteries Bylaw 2008-27* in this report, as described in Schedule A.
3. That this report and associated bylaw be forwarded to the February 26, 2018, meeting of City Council for approval.

## CONCLUSION

The City of Regina Cemeteries are operated on a cost-recovery basis. Annual operating expenses continue to rise. The proposed 2018 and 2019 fee increases are necessary to:

- Compensate for rising operating expenses
- 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, as reflected in the Western Canada Cemetery Fee Review, Appendix C.

## BACKGROUND

At the December 05, 2017 FA17-28 committee meeting, the committee requested additional information regarding the payment structure for Sunday and Stat holiday interments and the payment structure for the service to be clarified. As well as, identifying a separate charge for the handling set up fee from the cost of the dome product.

The City of Regina 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 has been allocated to the fund.

Operating surpluses, resulting from annual revenues exceeding expenses, are transferred to the Cemetery Reserve. This 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 five-year capital expenditure requirement for the above noted priorities is \$120,000 annually.

## DISCUSSION

Interment frequency has remained relatively unchanged over the past number of years, at an average of 600 interments annually. This limits the opportunity for increased revenue without raising fees and charges for the goods and services provided.

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

Annual operating expenses are impacted by increases in labour, equipment, material, fuel, and utility costs. Additionally, the reinstatement of the six per cent PST for goods and services, which came into effect in July 2017, and the estimated 2.75 per cent increase in other operating expenses in each of the next two years represents an annual increase in operating expenses of \$37,800.

The capital program provides resources for the installation of new cemetery assets and infrastructure, as well as, restoration of existing assets. Over the last ten years, the capital program has focused on the installation of several new columbaria and strip foundations. The introduction of these new elements has been very successful in responding to customers' needs, while improving the revenue stream for the cemetery program.

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 as much of it is beyond replacement lifecycle. The proposed fee increase will provide new products to meet customer needs and continue to address restoration of the aging infrastructure.

#### Funeral Homes and Monument Companies

The Administration solicited information from the local monument and funeral home businesses that regularly conduct business at the City's municipal cemeteries. A follow-up meeting with the partners occurred in July to review the information provided.

There were several interesting suggestions brought forward that may warrant further discussion with the partners and investigation with other municipally operated cemeteries. It is the Administration's belief that although some of these items may have merit, they do not specifically relate to the purpose of a fee report and would require further investigation to determine the customer demands to the municipal cemeteries and customers.

The Administration will be setting up meetings with the partners in 2018 to look at the options and evaluate the benefits to both parties at the end of 2018.

#### Other Municipal Cemeteries

In developing the proposed fee schedule, the Administration undertook a review of other municipally operated cemeteries. Some municipalities use the mill rate to provide supplemental funding to offset annual operating expenditures.

The Administration also investigated a number of specific items applied in other municipalities in their service delivery and revenue model including:

### Elimination of Sunday and Statutory Holiday Interments

At the December 5, 2017, Finance and Administration committee meeting, the Administration had proposed the elimination of the option to book Sunday and Statutory holiday interments based on the infrequent demand and in consideration of employee work-life balance. The original report indicated that exceptions would be made for extenuating circumstances, such as, religious requirements to inter the individual within 24 hours of passing.

*Councillor Sharron Bryce moved, in amendment that when a family requests for Sunday or Statutory Holiday interment, that we have this available, but that the payment structure cover the costs for this service.*

The Administration convened a follow-up meeting with the funeral homes on December 20, 2017, which concluded that, although there is limited demand for interments to be carried out on Sunday and Statutory holidays, the funeral homes are on call and do accommodate families wishes for interments where possible. In light of this, the Administration are withdrawing the original proposal to eliminate Sunday and Statutory holiday interments when required. This decision will reinstate the status quo arrangement. The current payment structure for Saturday and Sunday interments is sufficient to cover the costs of Sunday and Statutory holiday interments.

### New Fees

#### Set up Fee

*Councillor Sharron Bryce moved, in amendment, that the handling fee of the dome and vault be a separate charge from the costs of the dome and vault product.*

Some cemeteries like the City of Saskatoon and Calgary identify these costs within their standard interment charges. At the December 5, 2017, Finance and Administration Committee meeting, committee requested Administration to separate these fees, which are identified as Set Up fees in Schedule B.

The proposed set up fee includes the cost of equipment and labour associated with the preparation of the grave site, set up of the lowering device, placement of the greens, placement of the dome and final dressing of the grave site. The fee was previously included as part of the dome charges to the funeral home. The fee is being separated out of the cost of domes and is now shown as a separate fee.

### Domes

Historically, the set up fee was included in the charges for domes. These costs have now been separated as identified in Appendix B, Schedule A, to reflect the City's cost, delivery, storage and administrative costs.

### Bronze plaque

Currently there is a single fee for all bronze plaques ordered through the City. The Administration proposes to establish two separate fees, one for the 8"x 3" Legacy (tree and bench plaque) at the current fee of \$475 and creating a new reduced fee of \$250 for the 4"x 3" bronze plaque that is mounted on an infant or single cremation group monument.

It is the opinion of the Administration that purchasing a tree or bench to memorialize a family member or friend is a choice made by family and friends. These options will allow individuals to make a more cost-effective choice that fits their personal needs.

The Administration recommends creating a new fee for an infant or single cremation bronze plaques to make it more financially feasible for a family to memorialize on the group memorial.

### Record Request

In recent years, there has been an increased customer demand for hard copy historical records and in March 2016, the Administration began charging for photocopies, or scanned cemeteries records, which is consistent with City of Regina Archives Fee Schedule for the reproduction of material based on *Bylaw 2012-19*.

The Administration recommends a new fee, Record Request be included in the fee report, consistent with the *City of Regina Archives, Bylaw 2012-19*. We started charging this when the fees were approved back in 2014 for the 2015 and 2016 years.

### Fee Reduction

Transfer fees had previously been established and approved in 2017 at \$170. Due to clarification Section 34 of *The Cemeteries Regulations 2001*, the fee must not exceed \$100 and as a result this change was implemented August 1, 2017. Licence transfer fee reduced to \$100 effective August 2017.

### Fee recommendations

The proposed fees are in line with those charged by other municipally-operated cemeteries in Saskatchewan and other western provinces, as set out in Appendix C.

The following are the highlights of the proposed fee schedule:

- 4 per cent increase on fees (effective March 05, 2018).
- 3.5 per cent increase on fees (effective January 01, 2019).

Administration reviewed each fee item in the current schedule. As a result, several fees in the proposed schedule will remain unchanged. These items generate minimal sales yet represent a reasonable value to the purchaser. Maintaining the current fee may encourage interest and sale of these items. Other fees will be increased to bring them in line with similar services provided at other municipally operated cemeteries. This will ensure there is sufficient revenue to sustain

current service levels and adequate funds to support restoration of assets and provide for additional assets to meet customer needs. Additionally, several new fees will be introduced based on the review of other municipal cemeteries.

## RECOMMENDATION IMPLICATIONS

### Financial Implications

The cemetery expenditures and revenues reflected in the proposed 2018 Operating and Capital Budgets are based on the overall fee increase being proposed. The 2017 revenue is a total of \$1.28 million and \$116,700 has been transferred to the Cemeteries reserve for future capital projects. Approval of the proposed fee schedule will ensure that there is funding available to meet increased operating expenses and to continue to address capital infrastructure requirements.

### Environmental Implications

None with respect to this report.

### Policy and/or Strategic Implications

The actions of the Administration as an outcome of this report will contribute to operational excellence and strengthen the infrastructure and management of cemetery assets. This initiative supports the *Design Regina, Official Community Plan (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. The bylaw amendments will allow for a consistent allocation for the 100 per cent cost recovery model for the two cemeteries.

### 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 Communications 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,



Ray Morgan, Director  
Parks & Open Space



Respectfully submitted,

Report prepared by:

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