

Woodlawn Cemetery Rates and Fees – 2020/2021

Recommendation

1. That the proposed fee increase for services provided at Woodlawn Cemetery, as identified in this report and included in the 2020/2021 Preliminary Business Plan and Budget, be approved; and
2. That the City Solicitor be requested to prepare the necessary amendments to Bylaw No. 6453, Cemeteries Bylaw.

Issue

This report is to obtain approval for an increase to cemetery fees, as outlined in the 2020/2021 Proposed Woodlawn Cemetery Fee Schedule, effective January 1, 2020, and January 1, 2021.

Background

At its December 20, 2010 meeting, City Council approved phased-in transfers of funding to create the Cemetery Assurance Fund and increase the transfer of funds to the Perpetual Care Fund, based on audit recommendations. The full phase-in was achieved in 2013, with \$90,000 allocated annually to the Cemetery Assurance Fund and an additional annual allocation of \$114,000 to the Perpetual Care Fund (both of these funds will be collectively referred to as “Funds”). These increases were initially funded by the mill rate with the intent that fees be increased each year, keeping in mind the impact to market share, until there is no longer a requirement for mill rate support.

Discussion/Analysis

Woodlawn Cemetery sells and maintains graves, cremation and interment services, installs monument foundations, plus other related services.

The City established a Perpetual Care Fund, which covers costs associated with ongoing maintenance for the grounds. All revenues collected as perpetual care fees are transferred to this fund, and in turn, all income earned from this fund is transferred to operations as revenue.

Revenue for Woodlawn Cemetery is comprised of a combination of fees and the interest earned from the Perpetual Care Fund. An increase in fees is required when the revenue from the fees and the Perpetual Care Fund are not sufficient to cover the increased operating costs.

The Administration is recommending an overall average fee increase of 3%, per year, for 2020 and 2021. Recently, Woodlawn Cemetery has not been able to achieve its revenue budgets. In order to align the budget more closely with the current expected number of burials, the budgeted volumes for 2020 and 2021 have been reduced. The increases in revenue from the 3% annual fee increases will be offset by a decrease in the budgeted volumes, leaving the overall Woodlawn revenue budgets static for 2020 and 2021. Changes to Cemetery fees require an amendment to Bylaw No. 6453,

Cemeteries Bylaw. The proposed 2020 and 2021 Woodlawn Cemetery Fee Schedule, as well as a comparison of 2020 cemetery fees from various Western Canadian municipalities, is attached (see Appendix 2A and 2B).

The budget for Woodlawn Cemetery is affected by inflationary increases in salaries, utility rates, and cemetery supplies and services necessary to maintain current service levels. Transfers to reserves and interest rates also impact the cemetery's budget on an annual basis. The projected 2020 operating budget includes:

- revenue rate increase: (\$38,900)
- revenue volume decrease: \$38,900
- decrease in Perpetual Care Fund income: \$100
- utility rate increase: \$3,800
- equipment decrease: (\$5,900)
- staff compensation increase: \$6,400

The budgeted 2020 mill rate impact will be \$14,700; an increase of \$4,400 from the 2019 budget. The projected 2021 operating budget includes:

- revenue rate increase: (\$40,100)
- revenue volume decrease: \$40,100
- increase in Perpetual Care Fund income: (\$6,800)
- utility rate increase: \$4,000
- equipment increase: \$1,600
- staff compensation increase: \$18,900

The budgeted 2021 mill rate impact will be \$32,400; an increase of \$17,700 from the 2020 budget.

Implications

An increase in fees is required to cover increased operating costs and reduce reliance on mill rate funding. The objective for Woodlawn Cemetery is to operate at 100% cost recovery, with fees and interest earned from the Perpetual Care Fund covering all costs. This objective is unable to be achieved in the 2020 and 2021 budgets. There will be a small mill rate impact from these budget changes, mainly as a result of the decrease in budgeted number of burials.