


TO: Mayor Savage and Members of Halifax Regional Council

SUBMITTED BY: Original signed by 
Richard Butts, Chief Administrative Officer

Original Signed by 
Mike Labrecque, Deputy Chief Administrative Officer

DATE: October 16, 2015

SUBJECT: Amendment to Administrative Order Number 20, Respecting Fees for Cemetery Services

ORIGIN

Halifax Regional Council – February 11, 2014 – Item 11.5.3 – Amendments to Administrative Order Number 20 – Respecting Fees for Cemetery Services. Regional Council passed the following motion:

MOVED by Councillor Adams, seconded by Councillor Hendsbee that Halifax Regional Council direct staff to bring forward amendments to Administrative Order 20, *Respecting Fees for Cemetery Services*, which eliminates the weekday after hour [4:00 pm] and weekend or holiday burial fees, and ensures that the cost of providing burial services is equitable for all customers and that the proposed amendments are, if possible, revenue neutral to the Municipality.

LEGISLATIVE AUTHORITY

Halifax Regional Municipality Charter, subsection 59(3), “In addition to matters specified in this Act or another Act of the Legislature, the Council may adopt policies on any matter that the Council considers conducive to the effective management of the Municipality,”

Halifax Regional Municipality Charter clause: 61(5) (d) “The Municipality may... (d) Sell deeds for cemetery lots and certificates of perpetual care”

By-law C-700, the *Cemeteries By-law*, section 24:

- 1) The cemetery fees shall be prescribed from time to time by Council by Policy.
- 2) The cemetery fees prescribed under subsection 1 of this section may be all inclusive, partially inclusive or may be different for the:
 - (a) type of cemetery fee;
 - (b) type of interments or disinterment;
 - (c) time and day of interments;

- (d) date of purchase of a burial lot;
- (e) date of purchase of the right to use a niche lot;
- (f) date maintenance care is paid;
- (g) transfer of burial lots or niche lots;
- (h) foundation/marker administrative fee;
- (i) rental of types of vaults; and
- (j) any other matter the Council sets out in the Policy.

RECOMMENDATION

It is recommended that Halifax Regional Council direct staff to review the cemeteries fee structure set out in Administrative Order 20 and return to Council prior to approval of the 2016/17 budget with fee structure options in order to achieve the following objectives:

- a. adopt weekday after hour, weekend, and holiday rates identified in Table 1 of this report;
- b. implement rates to offset the revenue loss as identified in Table 1;
- c. recovery of increased cemetery operating costs incurred since the last fee schedule update in 2013; and
- d. potentially enable cost neutral operation of municipal cemeteries, as previously directed by Council, while respecting benchmark pricing of private sector cemeteries within the municipality.

BACKGROUND

On April 13, 2010, Regional Council received a recommendation report regarding "Service Review – Burial Services" which contained 19 recommendations for the future management of cemeteries. Recommendation #1 stated:

- 1) Best practice indicates the general rated tax payer should not be required to subsidize cemetery services in their local municipality. It is, therefore, recommended that HRM take on the principle of cost recovery for HRM cemeteries. A budget should be established which produces at least a net zero cost to the taxpayer.*

The cemetery fee structure, which is contained within Administrative Order 20, has been amended twice since April 2010 and was last updated by staff and approved by Council in 2013. The current table of cemetery fees is provided in Attachment 2. Despite changes to fees in 2013 and operational cost efficiencies, cemetery services have not yet achieved a budget "which produces at least a net zero cost to the taxpayer" (i.e., cost neutral operation). For example, the current revenues received do not cover the annual grass cutting contract of approximately \$87,000.00.

The February 11, 2014 motion of Council directs staff to "bring forward amendments to Administrative Order 20, *Respecting Fees for Cemetery Services*, which eliminates the weekday after hour [4:00 pm] and weekend or holiday burial fees, and ensures that the cost of providing burial services is equitable for all customers and that the proposed amendments are, if possible, revenue neutral to the Municipality".

The estimated annual revenue loss that would result from Council's motion to eliminate fees would range from approximately \$11,000 - \$23,000 as identified in Table 1 of this report. Therefore, the elimination of weekend/holiday/after hour fees without a corresponding revenue offset would serve to drive cemetery services further away from the objective of establishing a budget that is net zero cost to the taxpayer. Accordingly, this report provides Council with an analysis of options for potentially eliminating/reducing the weekend/holiday/after hour fees and seeks Council's direction for a full review of cemetery fees to potentially achieve a cost neutral operation.

DISCUSSION

In February of 2008, Council approved By-Law C-700 which set standards for columbarium structures and mausoleums and improved upon cemetery standards. Council also approved Administrative Order 20 – Respecting Cemetery Fees which established the fees to be charged for cemetery services provided by

the Municipality. Amendments to Administrative Order 20 – Respecting Cemetery Fees were subsequently approved on July 6, 2010 and September 10, 2013 (see Attachment 2 for fees now in effect.)

The charts below reflect the number of interments completed since 2013/14, as well as the number of those interments that were completed outside of normal business hours.

Interments	2013-2014	2014-2015	April 2015-Sept 30, 2015
Cremation	172	144	119
Traditional	56	60	28

After Hour Service	2013-2014	2014-2015	April 2015-Sept 30, 2015
After 4:00 pm Weekday	7	4	4
Weekend Saturday	12	18	17
Weekend Sunday	3	2	1
Holiday	0	0	0

The current weekend/holiday/after hour rates are shown in Table 1 below. These premium rates are charged in addition to the standard interment fees when the interment occurs outside of normal business hours. An HRM employee from Cemetery Operations is required to be present at all burials to receive payment and the necessary burial permit. This cannot be provided in advance and must accompany the movement of the remains. The employee is typically onsite for approximately two hours for all interments. The costs associated with providing this overtime service are determined by the current NSUPE Collective Agreement and are reflected in Table 1.

As can be seen from Table 1, current additional weekend/holiday/after hour fees being charged are in excess of the incremental overtime labour costs incurred. Therefore, there is a case to be made for adjusting these additional fees to better reflect the incremental costs incurred and the objective of a revenue neutral operation. Staff recommends reducing the weekend/holiday/after hour to align more closely with the direct costs incurred, (see “proposed fees” in Table 1). However, it must be noted that reducing or eliminating the additional fees as directed in Council’s motion will incur an overall decrease in annual revenues if there is no offsetting increase elsewhere in the cemeteries fee schedule. Staff anticipates that a reduction or elimination of the additional fees will also drive an increase in demand for after hour business, potentially doubling after hour interments, given the local market comparison of fees conducted by staff and provided as Attachment 1. Respective projected revenue losses associated with Council’s motion to eliminate the fees and staff’s recommendation to reduce the fees are provided in Table 1.

Table 1 – Proposed Fee Change and Revenue Impact

Additional Service Fee	Existing Fee	Incremental, Direct Labour Cost (including benefits)	Proposed Fee	Proposed Fee Revenue Loss - (Annual Estimate)	Fee Elimination Revenue Loss (Annual Estimate)
After 4:00 p.m. Weekdays	\$150	\$79.94 (2 hrs service @ time and half)	\$100	\$200 - \$400	\$1,200 - \$2,400
Weekend Saturday	\$500	\$159.88 (4 hrs call out @ time and half)	\$175	\$5,000 - \$7,500	\$9,000 - \$18,000
Weekend Sunday/Holiday	\$500	\$213.16 (4 hrs call out @ double time)	\$225	\$600 - \$800	\$1,000 - \$3,000

Staff considered several fee alternatives as follows:

Direct Cost Recovery – it is common practice for cemeteries to charge a specific fee for service as opposed to a cost recovery approach. Specific fee amounts provide cost certainty for customers and enables easy cost comparison between service providers.

Fee Elimination – it is common practice for cemeteries to charge additional fees for after hour service. Eliminating the after-hour fees for HRM cemeteries would undercut other local cemeteries and potentially double the amount of after-hour service provided thereby creating potential annual revenue losses as shown in Table 1.

Maintain Existing Fees (Status Quo) - staff conducted a market pricing comparison of other municipally-operated cemeteries in Canada as well as privately-operated cemeteries within the Halifax Regional Municipality. This comparison is found as Attachment 1. The attachment shows that the existing fees being charged are relatively consistent with fees charged at other cemeteries. It is also noted that the current demand for after hour service provision has increased significantly in 2015/16 to date, which indicates that current fees are generally acceptable to the marketplace.

After considering the above alternatives, staff recommends that Council direct staff to adopt the proposed weekend/holiday/after hour fees identified in Table 1 and complete a review of the remainder of the cemetery fees to:

- a. offset the revenue loss associated with the implementation of the rates identified in Table 1;
- b. recover increased cemetery operating costs incurred since the last fee schedule update in 2013; and
- c. potentially enable cost neutral operation of municipal cemeteries, as previously directed by Council, while respecting benchmark pricing of private sector cemeteries within the municipality.

The proposed fees in Table 1 achieve a revenue-neutral solution through recovery of the direct incremental labour costs incurred for after hour service.

FINANCIAL IMPLICATIONS

There are no financial implications as a result of this report. Adoption of staff's recommended after hour fees are expected to result in an estimated annual revenue reduction of \$6,000 to \$9,000 from HRM cemeteries - R855. Staff expects to offset this revenue loss through a full review of the fee structure in Administrative Order 20, subject to Council approval.

COMMUNITY ENGAGEMENT

No requirement identified.

ENVIRONMENTAL IMPLICATIONS

No implications identified.

ALTERNATIVES

1. Council could direct staff to adopt a different set of weekend/holiday/after hour rates.
2. Council could defer giving direction on the weekend/holiday/after hour rates until after receiving staff's advice regarding the full fee structure options. This alternative is not recommended as it is better for staff to know how Council wishes to address premium rates before undertaking the balance of the fee structure review.

3. Council could direct staff to adopt new weekend/holiday/after hour rates without undertaking the balance of the fee review. This alternative is not recommended as it would decrease revenues to the municipality that would have to be absorbed in the budget or passed through to taxpayers. It would also push the cemetery services further away from achieving Council's previous direction of becoming a cost neutral operation.
4. Council could decide not to alter the existing fee structure outlined in Administrative Order 20. This is not recommended by staff as the fees should be adjusted to improve cost recovery.

ATTACHMENTS

Attachment 1 Market Scan Analysis of Canadian City/Municipality and other Halifax Regional Cemeteries

Attachment 2 Cemetery Rates (effective September 10, 2013)

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/cagenda.html> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

Report Prepared by: Bonnie Murphy, Cemetery Administrator (902) 490-6236

Report Approved by: Brad Anguish, Director, Parks and Recreation, (902) 490- 4933

**Attachment 1
Market Scan Analysis of Canadian City/Municipality and other Halifax Regional Cemeteries**

	Halifax	Calgary	Edmonton	Niagara Falls	Regina	Hamilton
Traditional burial weekend/holiday overtime rate	\$500.00	\$1033.00	\$329.00	\$550.00	\$335.00	\$734.00
Cremation burial weekend/holiday overtime rate	\$500.00	\$269.00	\$106.00	\$295.00	\$205.00	\$581.00
After 4:00 p.m. Monday - Friday	\$150.00		\$106.00		\$205.00	\$181.00
Every ½ hour past 4:30 Monday to Friday or scheduled time		\$164.00		\$30.00		\$105.00

Note: All the above have union staff that are employed full time

	Halifax	St John's (Halifax)	Pleasant Hill	Gates of Heaven	Oakridge
Traditional Burial weekend/holiday overtime rate	\$500.00	\$225.00 after 12:00 on Saturday	\$100.00	Do not bury on Sundays, pay staff 44 hours to offset Saturday interments	\$600.00 on Saturday \$900.00 on Sunday/Holiday
Cremation burial weekend/holiday Overtime rate	\$500.00	\$225.00 after 12:00 on Saturday	\$100.00	Do not bury on Sundays, pay staff 44 hours to offset Saturday interments	\$200.00 on Saturday, Sunday and Holiday
After 4:00 pm Monday - Friday	\$150.00	\$150.00 after 3:00 p.m.	n/c	n/c	\$600.00 after 3:00 (traditional) \$200.00 after 3:00 (cremation)

Attachment 2 – Cemetery Rates (effective September 10, 2013)

Lot Fees	
Single Grave Lot	\$1,400.00
Cremation Lots (holds up to 4 cremations)	\$1,050.00
Infant Lots (in special infant sections)	\$200.00
Columbarium	\$2,500.00
Interment Fees	
Standard Interment	\$785.00
Double depth/vault/oversize (Where site conditions permit)	\$1,000.00
Cremation Interment	\$400.00
Additional Fees	
Transfer Fee (No tax payable)	\$100.00
Research Fee (per hour)	\$50.00
Foundation/ Mark Admin Fee	\$75.00
Vault Rental (handling fee)	\$200.00
Rental Fee (per month)	\$50.00
Perpetual Care for all interments	\$150.00
Standard Disinterment	\$800.00
Cremation Disinterment	\$400.00
Weekend/Holiday Rate (Additional/Flat Rate added to price)	\$500.00
Burials after 4:00 p.m. Monday-Friday	\$150.00