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City of Vaughan Cemetery Services Review

LEFS
ASSOCIATES

City of Vaughan
Cemetery Services Review Report

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EXECUTIVE SUMMARY

The City of Vaughan (the City) commissioned LEES+Associates in July 2020 to prepare a Cemetery Services Review (CSR). This CSR provided recommendations for the City cemeteries' service level and delivery that considers efficiency and cost-effectiveness to ensure the City meets Provincial regulations and addresses the needs of Vaughan's citizens. This CSR includes a community needs assessment, market trends, operations, and financial analysis for the City's cemeteries. It also includes an asset database review that examines the City's historic initiatives to develop a system to manage its cemetery assets, summarizes the software tools available, and provides a framework for the City to build on in the future.

The cemetery market's current momentum is moving in City's favour. If the City continues with its current model and level of service, it can expect to eventually achieve financial sustainability, as it is forecast to exceed operating breakeven and fully fund its Care and Maintenance Fund in foreseeable future.

The Bereavement Authority of Ontario (BAO) and the public have the expectation that municipalities will provide for the dignified care of their dead. The Funeral, Burial, and Cremation Services Act (FBCSA) mandates that municipalities will always retain some responsibility for their cemetery sites' care.

The City cemetery system's level of service is currently above the Basic Level expected to meet the minimum standard required by Provincial regulations, but below the Average Level expected by the common standard of care implemented by the City's peer municipalities to meet Provincial regulations. This plan recommends the City elevates its level of service, at minimum, to Average levels in the short term, and strive toward more Optimal practices in the long term. Initiatives that increase its level of service may provide the City with cost savings and other benefits, from the improved efficiency and effectiveness of its cemetery operations.

The following section summarizes the key findings from the City's Cemetery Services Review.

Projected Demand and Current Supply

- At its current rate of activity, the City can expect approximately 1,300 casket and 840 cremation interments, as well as, 1,100 casket and 70 cremation lot sales, over the next 25 years;
- The City's cemeteries have 25 - 35 years of developed casket lot sales and 80 - 100 years of developed cremation lot sales remaining, and
- The City has 0.80 acres of undeveloped, infill capacity on its cemetery lands, which is expected to provide another 9 - 16 years of cemetery sales.

Site Observations

- City cemetery fences and vaults require restoration. City sites also need new wayfinding signage, lot markers and smaller cremation lots, and
- Site conditions encountered by the cemetery visitors generally align well with the standards established by the Funeral, Burial, and Cremation Services Act, 2002 (FBCSA). However, there are improvements needed at a few City sites to:
 - Ensure continued compliance with the FBCSA, remove any existing threats to public safety, enhance the aesthetic quality of the cemeteries, and provide consistent signage and wayfinding at all cemetery sites.

Cemetery Operations

- The City meets best practices by increasing its cemetery rates annually, by 2% to 3% per year. Its cemetery fees are on par with most cemeteries in peer municipalities. The City does not charge a non-resident premium. Peer municipalities do apply a non-resident premium on their sales;
- The City offers fewer interment options (casket and cremation lots), than peer municipality cemeteries, which offer an average of 4 in-ground and above-ground interment options;
- The City's staff provide good and efficient service with the resources available, however, cemetery operations are under-resourced. Staff often draw upon other department resources to complete tasks. There is a significant risk of service disruption if key staff are unavailable;
- The City meets best practices for its interment service delivery. The City could improve its level of service for site care, customer service, administration, and community engagement, gaining efficiencies and improving available data for decision making while doing so, and
- The City's operations would benefit from a refined maintenance schedule, expanded records management system, and clear procedural documentation. The Cemetery bylaw and regulations are old, out of date, and have significant gaps in content.

Asset Database Management

- The City currently has several software systems in place that are capable of tracking and reporting assets, which may be adapted for its cemetery system's management needs;
- The City has a data collection and database structural precedent to build upon from Asset Management's 2016 data collection initiative with the Parks Operations department, and
- The City's limited resourcing and the number of cemetery staff have constrained progress on creating a cemetery asset database, management plan, and annual budget for asset repair and replacement. This introduces time and cost inefficiencies in staff workflow.

Financial Plan

- The City's cemeteries averaged an annual net loss of \$34,200, 2015-2019. However, financial performance is on an upward trend. City cemeteries' earned a net income of \$14,200 in 2019.
- The City will reach its Operating Breakeven point in the next 4 years in a Status Quo scenario, and fully fund its Care & Maintenance Fund (C&MF) for minimum, basic level care in 17 years;
- The City will reach its Operating Breakeven point in the next 3 years in an Alternate scenario, and fully fund its C&MF at a basic level of care in 8 years and its current level care in 28 years, if:
 - It adds a 25% non-resident premium, increases the cremation burial rate to \$500 and other rates 5% per year in 2021 and 2022, maintains annual increases of 3% from 2023 forward, adds a marketing budget of 5% of revenue, and ceases to withdraw C&MF interest income.
- The City's cemeteries meet best practices for annual contributions to its C&MF. For the past five years, its rate of return (1.5%) has been below average compared with other municipalities (2% to 5%). Though City's returns have been improving – the C&MF earned 2.3% in 2019, and
- The City's cemetery system is 100% funded by C&MF income for minimum, basic site care (50% of estimated site care costs) and 60% funded for its current levels of active site care.

The following **recommendations** will move the City towards a higher level of service and ensure the long-term sustainability of its cemetery operations.

- Expand interment capacity by introducing above-ground options, change the bylaw to expand the number of interments per lot, develop in-fill and introduce a reclamation strategy;
- Introduce new interment options (columbaria niches, scattering gardens, green burial, family estates, and vessels), memorial options, and support service fees to increase offering diversity;
- Prioritize addressing asset improvements whose physical conditions compromise public safety (first), accessibility (second), and/or the aesthetic quality (third) of the City’s cemeteries;
- Allocate additional resourcing to address the gaps in cemetery operations, improvements necessary to enhance the level of service and develop an asset database management system;
- Facilitate customer feedback and ongoing, collaborative communication between cemetery staff, City staff from connected departments, and key community members;
- Enhance the City’s financial systems to provide improved reporting and data by interment form, time of sale, residency, and key function. Ensure all staff costs for cemeteries is accounted for;
- Pursue an Alternate financial strategy that will ensure the City reliably achieves operating breakeven in three years and fully funds the C&MF for the current level of care in 30 years;
- Allocate the cemeteries future income to the repurposed Cemetery Reserve Fund, which should be dedicated to site development and infrastructure enhancement projects;
- Create a sales and marketing plan with the support of a professional specializing in cemeteries promotion to accelerate revenue growth and train cemetery staff in this skill-set;
- Compile a set of Standard Operating Procedures, refine the schedule of care to align with seasonal conditions and site activity, and pursue a Comprehensive Update of the Bylaw;
- Expand the use of the City’s existing software systems to achieve improved data reporting and maximize its capability to manage the City’s cemetery assets, with links to GPS maps;
- Assign a leader to the asset database initiative. In 2021, the City should complete:
 - Phase 1 - Data Collection + Phase 2 - Short Term Asset Care Plan to gather spatial, image, and other data needed to create a guide for asset care for the next five years, by 2021-2023;
 - Phase 3 - Tool Selection + Phase 4 - Database Consolidation to determine the asset data’s final destination and import the data into the tool selected by 2024-2026, and
 - Phase 5 - Long Term Asset Care Plan to guide the City’s asset repair and replacement for the next ten years, from 2027 forward. Update the asset data every 5 to 10 years.
- Revisit this plan in five years. Evaluate the response to the changes in operations. Prepare a long-term strategy to identify new sites for the acquisition or conversion with the intent to expand the cemetery lands, assuming the City continues to offer active cemetery services, and
- In the future, if the City chooses to further explore the potential benefits of an alternate governance model, it will need to define its goals for potential partnerships or further outsourcing agreements, and then plan to undertake a “Governance Feasibility Study.”
 - This is proposed as a long-term option because the other recommendations in this report are expected to provide the City with greater returns more quickly.