

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF JUNE 22, 2021

Item 19, Report No. 29, of the Committee of the Whole, which was adopted without amendment by the Council of the City of Vaughan on June 22, 2021.

19. CEMETERY SERVICES REVIEW

The Committee of the Whole recommends:

- 1) That the recommendation contained in the report of the Deputy City Manager, Public Works dated June 1, 2021, be approved; and**
- 2) That the presentation by the Director of Parks, Forestry and Horticulture Operations, and the Project Manager, Business and Contract Services, and Communication C3, presentation material titled "*Cemetery Services Review*", be received.**

Recommendation

- 1. That Council endorse the recommendations as substantially provided in this report.**

Committee of the Whole (1) Report

DATE: Tuesday, June 1, 2021

WARD(S): ALL

TITLE: CEMETERY SERVICES REVIEW

FROM:

Zoran Postic, Deputy City Manager, Public Works

ACTION: DECISION

Purpose

To provide an overview of the City's cemetery services and recommendations to ensure the long-term sustainability of service to citizens.

Report Highlights

- The City provides basic cemetery services that are compliant with Ontario's Funeral, Burial and Cremation Services Act (FBCSA).
- The City's cemeteries have sufficient inventory to service expected demand for the next 30 years.
- Site assessments identified a prioritized list of assets for rehabilitation to ensure continued compliance with the FBCSA.
- There is opportunity to improve long term financial sustainability while still meeting best practices for contributions to the cemetery Care & Maintenance Fund (C&MF).
- The existing cemetery by-law was implemented in 1993 and should be revised to reflect legislative updates and to improve ease of use.

Recommendations

1. That Council endorse the recommendations as substantially provided in this report.

Background

The City operates twenty (20) cemeteries and offers basic interment services, with casket burials as the primary mode of interment.

The City operates seven (7) active and (13) thirteen inactive cemeteries (Attachment 1). There are also seven (7) privately held cemeteries that operate in the City. The City's active cemeteries offer services for casket and cremation burial and plot marking.

The City's cemeteries serviced 3.4% of resident casket burials and 5.7% of resident cremations from 2015 through 2019. Residents' preferred interment mode is casket burial, which is driven by the City's ethnic and religious profile. The City's cremation rate of 23.4% contrasts with the national average of 73%, the provincial average of 64% and the York Region average of 63%.

Maintenance services include grass cutting, headstone repairs and spring and fall clean up. Administrative services include plot sales, payment processing, and records management. Demand for interment services is expected to increase as the City's death rate over the next 25 years is expected to increase from 4.6 per 1,000 residents to 5.1 per 1,000 residents.

The City is in compliance with its obligations under the Funeral, Burial and Cremation Services Act (FBCSA), which includes a Care and Maintenance Fund (C&MF) to generate income for the care and maintenance of cemeteries.

Bereavement sector services within Ontario are governed by the FBCSA. The act requires all cemetery operators to ensure that the interments of human remains are carried out in a decent and orderly manner; that quiet and good order are maintained in the cemetery at all times; that all cemetery grounds are maintained to ensure the safety of the public and to preserve the dignity of the cemetery; and that every person has reasonable access.

The provisions of the FBCSA are administered by the Bereavement Authority of Ontario (BAO), a government delegated administrative authority (DAA). The act also decrees that a local municipality is responsible for the maintenance of abandoned cemeteries, which are those cemeteries where an owner or operator is unknown or cannot be found, is unable to maintain it, or is not licensed. A cemetery contributes a percentage of annual sales revenue to the C&MF with payments made after the installation of plot markers. Income generated through investment can be retained in the fund to compound growth or withdrawn to support site care and maintenance expenses.

The City's Cemetery By-Law 180-92, "A By-law to Provide for the Regulation and Operation of Cemeteries Owned by the City of Vaughan", was introduced in 1993.

The City's cemetery by-law, 180-92, provides rules and regulations that govern the operation of cemeteries owned by the City of Vaughan. The by-law includes information related to cemetery administration, business hours, a list of active and inactive cemeteries, and a fee schedule as well as providing direction to City staff and citizens regarding the use of cemetery services. The FBCSA and its subsequent revisions were enacted after the introduction of the City's by-law.

A Public Work's operational review identified the need for a cemetery services review to recommend steps to ensure long term sustainability.

The City's cemetery services have not had a formal review since the introduction of the by-law. Legislative changes and an evolving marketplace make it important to conduct a review to ensure legislative requirements are met and that the resulting strategy will provide long-term financial sustainability.

Previous Reports/Authority

Not Applicable

Analysis and Options

The City retained Lees & Associates to conduct a Cemetery Services Review.

Lees & Associates conducted a comprehensive review of the City's cemetery services (Attachment 2). The review included the following components:

- site visits and asset condition analysis
- supply and demand analysis with a review of the existing plot inventory
- stakeholder consultation
- service level and delivery review
- peer municipality scan focusing on operations, administration, and fee structure
- asset management analysis
- financial analysis

The City's active cemeteries have 30 years of inventory, which can be increased through an in-fill strategy.

Based on current trends, the City has approximately 30 years of lot inventory available. This equates to 1,100 casket lots and 70 cremation lots. An analysis shows that the City has 0.8 acres of undeveloped lands on its active cemetery sites, which could provide an additional 12 years of cemetery lot sales through the implementation of an in-fill strategy.

Aligned with report findings, staff recommend that the City convert low-traffic paths, roads, and other amenities to interment space. It is also recommended that a study be conducted to determine the most cost-effective approach to implement the in-fill options. The in-fill strategy is a cost-effective alternative to the acquisition of new lands to meet future interment demands.

The condition assessment of cemetery assets produced a list of rehabilitation and replacement requirements, prioritizing safety and accessibility needs first.

Site visits of City cemetery assets were conducted to assess existing asset conditions to ensure efficient service delivery and the City's compliance with the FBCSA. The visits identified that conditions encountered by cemetery visitors generally align with the FBCSA. However, site improvements are recommended to ensure the City's continued compliance with the FBCSA with a focus on public safety, accessibility, and aesthetic quality to preserve the dignity of cemetery sites. Staff have developed cost estimates for the asset rehabilitation identified in Attachment 3 and endorse the phased implementation of these improvements. The asset condition information collected will be incorporated into an asset management plan.

Asset management recommendations will be addressed in collaboration with the City's Infrastructure Planning and Corporate Asset Management (IPCAM) department.

The review included the City's current initiatives to identify and track the condition of its assets, as well as the asset management tools and current asset care and maintenance practices. The review identified some gaps in asset management. The review has also concluded that the City has historically addressed cemetery asset care on an as needed basis. Benchmarking results indicate that several municipalities in York Region and within the GTHA have cemetery asset management systems in place.

In accordance with report findings, staff recommend that a cemetery asset management plan be developed to ensure that cemetery infrastructure is maintained in good working condition and in accordance with the FBCSA. The asset management plan will be implemented in phases with the collaboration of the Infrastructure Planning and Corporate Asset Management (IPCAM) department. The plan is to include data collection, on-going condition assessment and lifecycle costing, rehabilitation, and replacement. It will be beneficial in managing cemetery assets and ensuring long term sustainability of the assets.

Development of Standard Operating Procedures, cross training and the addition of a dedicated resource are recommended to ensure effective service delivery.

The City maintains more active cemeteries than any other municipality in York Region.

A benchmarking study of operational resource allocation found that the City's cemetery services have less staffing on a per acre basis than its peers. This will have an impact on service delivery if not addressed.

Cemetery services require specialized skills such as plot marking and the opening and closing of graves. These activities may also be required beyond regular business hours, including evenings, weekends, and holidays. Staff recommend cross training and the addition of a trained resource for oversight and delivery of cemetery services.

The review identified the need for the development of Standard Operating Procedures (SOPs). SOPs are a key element in quality control that ensure activities are conducted in a consistent, efficient, and safe manner.

Staff recommend the development of a comprehensive SOP to provide clear direction in operations and administration of cemetery service delivery and to ensure staff health and safety.

Though the City meets best practices for BAO reporting and annual contributions to its C&MF, there is an opportunity to improve financial sustainability through service price adjustments.

Financial statements submitted to the BAO delineate the City's annual contributions, interest earned, and withdrawals to fund current maintenance needs. The City contributes 50% of its lot sales to its C&MF, which exceeds the legislated minimum of a 40% contribution. The C&MF is 60% funded for the City's current level of site care.

Most municipalities support cemeteries as a community service to their residents while striving to decrease the demand on the tax base and move toward breakeven. A benchmarking study amongst peer municipalities reveals opportunities for the City to increase fees for certain services offered.

Staff recommend fee increases including: raising the cremation burial fee to \$500, the introduction of a 25% premium for non-Vaughan residents, an increase to other cemetery service rates by 5% in 2021 and 2022, and an increase in rates of 3% per annum from 2023 onward. The proposed increases will enable the City to accelerate fiscal sustainability and reduce the burden on taxpayers. With these adjustments, the City's cemeteries are expected to consistently achieve operating breakeven in three years.

A cemetery by-law update is recommended to ensure consistency with the most recent revisions of the FBCSA.

Staff concur with the recommended revamp of the current by-law. The report identified two themes: expanding and strengthening by-law content; and improving ease of use.

The expansion and strengthening of content include ensuring consistency with the FBCSA legislation, improving definitions, and replacing outdated terminology.

Regarding ease of use, key elements include a logical flow of sections in the by-law and consistent use of terms, descriptions, and details.

The review provides recommendations to address gaps and to ensure long term sustainability of service delivery to citizens.

The review categorizes recommendations in terms of near-term (one to three years), medium-term (four to seven years), and long-term (seven years and beyond). Staff have reviewed the recommendations and provided the following implementation summary to ensure long term sustainability of the cemetery business unit. There are recommendations that have implementation components that are near, medium, and long-term.

Recommendations	Near-Term	Medium-Term	Long-Term
Implement an in-fill strategy to increase lot sales capacity		✓	
Perform asset rehabilitation to ensure public safety, accessibility, and continued compliance with the FBCSA	✓	✓	
Develop an Asset Management Plan to ensure the longevity of cemetery assets	✓	✓	✓
Provide additional resources to ensure efficient service delivery	✓		
Develop a consolidated Standard Operating Procedure (SOP) to provide clear guidelines for consistent service delivery	✓		
Increase services fees to ensure long term financial sustainability of the cemetery business unit	✓	✓	
Amend Cemetery By-law 180-92 to ensure consistency with legislative changes and alignment with the FBCSA	✓		

Financial Impact

The impact on revenues of the proposed fee changes will be estimated as part of a more detailed analysis to be undertaken and any increase in revenue will be included in future year operating budgets. The asset rehabilitation program will cost approximately \$180,000 and the additional FTE to support cemetery services is estimated to cost \$90,000 annually. Any capital or operating funding requirements will be considered as part of the annual budgeting process and evaluated against other City priorities.

Broader Regional Impacts/Considerations

There are no broader regional impacts.

Conclusion

It is recommended the City implement an in-fill strategy to increase lot inventory as a cost-effective means to address demand and to execute prioritized asset repairs to ensure public safety, accessibility, and continued compliance with the FBCSA. The phased implementation of an asset management plan will ensure long term sustainability of assets and cross training of existing resources combined with an additional operational resource and SOP development will ensure efficient service delivery to citizens. An adjustment in service fees will improve financial sustainability and an update of the by-law will ensure its alignment with current legislation.

For more information, please contact Nadia Paladino, Director of Parks Forestry and Horticulture Operations.

Attachments

1. Cemetery Location Map
2. Cemetery Services Review; LEES + ASSOCIATES
3. Rehabilitation Cost Estimate

Prepared by

Deepak Panjwani, Project Manager, BSSE, PFHO x6110
Maurice Battistuzzi, Manager, BSSE, PFHO x 6149

Approved by

Insert Digital Signature here
(DCM)



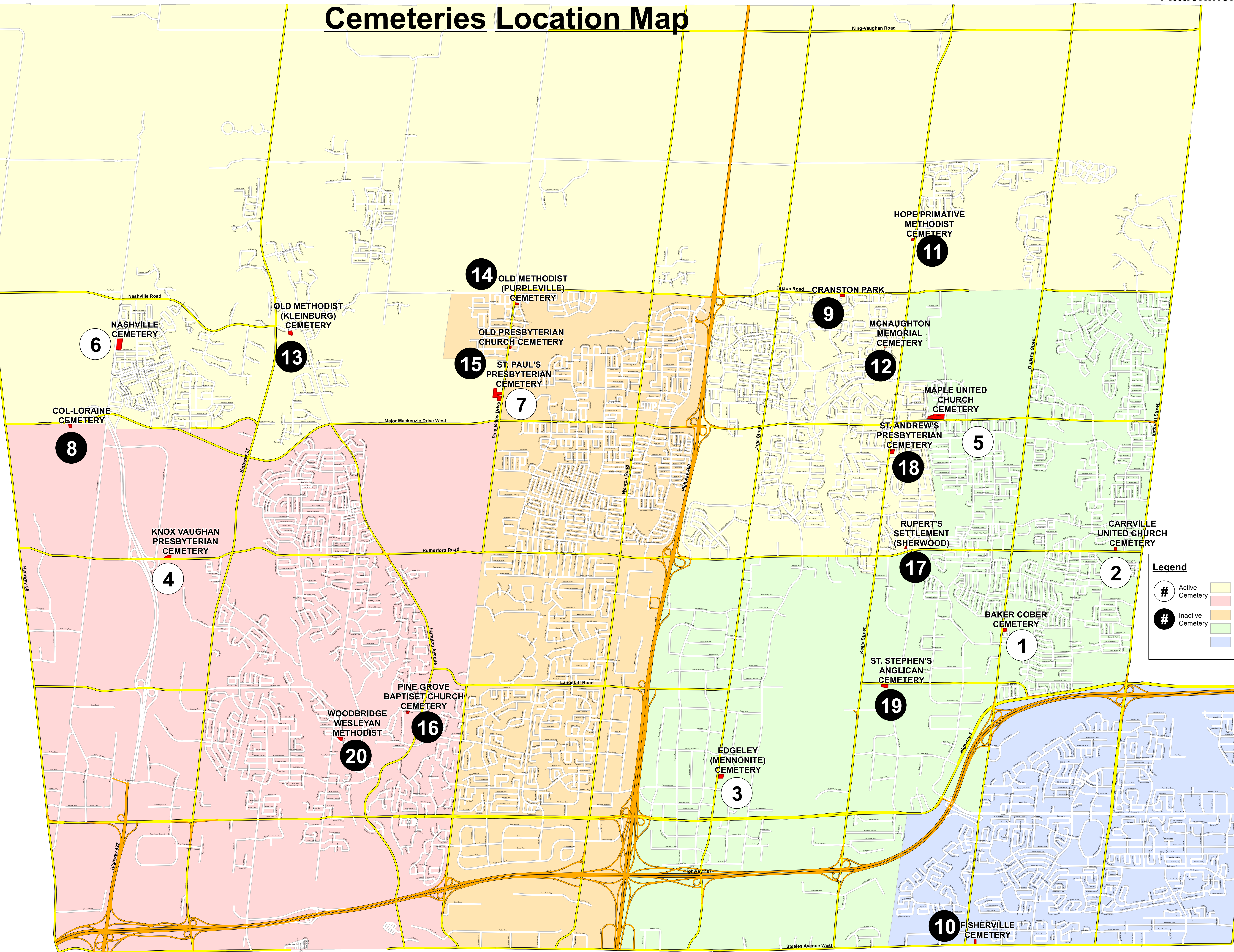
Zoran Postic, Deputy City Manager
Public Works

Reviewed by



Jim Harnum, City Manager

Cemeteries Location Map



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City of Vaughan Cemetery Services Review

LEFS
ASSOCIATES

City of Vaughan
Cemetery Services Review Report

Date: March 25, 2021

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.

Rehabilitation Cost Estimate

Number of Cemetery Sites	Type of Repair	Repair Cost
20	Fence, entry gates and bollards	\$35,500
	Historical plaque, steps, unit pavers, painting, corner stone marker, memorial wall cladding, etc.	\$100,000
	Cemetery Signage	\$4,500
	Dead Tree Removal	\$2,500
	Sod work	\$ 7,500
	Maintenance of building roofs, wall cladding, etc.	\$30,000
	Total Repair Cost	\$180,000