



CITY OF VANCOUVER

ADMINISTRATIVE REPORT

Report Date: June 12, 2007
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Meeting Date: June 26, 2007

TO: Vancouver City Council

FROM: Manager, Mountain View Cemetery

SUBJECT: Mountain View Cemetery Fees and Charges

RECOMMENDATION

- A. THAT Council approve a new schedule of fees and charges for Mountain View Cemetery which includes increases to existing fees as well as new fees for the purchase of a license to use an interment space, as set out in Appendix A to this report, and repeal the existing schedule of fees to take effect on July 10, 2007.
- B. THAT Council approve amendments to the Mountain View Cemetery By-Law, as set out in Appendix C to this report, to set a fixed license disposition fee for the surrender of a license.
- C. FURTHER THAT the Director of Legal Services be instructed to prepare a by-law to amend the Mountain View Cemetery By-Law generally in accordance with Appendix A and Appendix C.

GENERAL MANAGER'S COMMENTS

The General Manager of Community Services recommends approval of Recommendations A, B, and C noting that these fee proposals are based on a thorough market analysis and are a critical component of the financial plan for the renewed operation of the city's cemetery service.

COUNCIL POLICY

Council policy is that fees for services are to be set at cost recovery level or at market level in circumstances where City Services compete with the private sector.

SUMMARY

It has been more than 21 years since Mountain View Cemetery ceased the sale of new grave space. After many years of consultation, planning, and design the cemetery is in the final stages of construction that will result in the creation of more than 2,200 new spaces for interment and the re-opening of Mountain View Cemetery.

This report contains a recommended schedule of fees and charges for these new interment spaces as well as adjustments to current fees. The report also recommends an amendment to the Mountain View Cemetery By-Law to adjust an administrative fee related to returning a vacant interment space to the cemetery.

BACKGROUND

Mountain View Cemetery has been owned and operated by the City of Vancouver since its first interment in 1887. In the first 100 years, more than 92,000 graves were sold and the remains of more than 130,000 people were interred. In 1986 the cemetery was running out of full size (casket) graves. Council decided to close the cemetery to the sale of new space and on March 27, 1986 the last grave was sold. Since the closure, interments have continued but only in graves purchased from the cemetery prior to the closure.

A proposal was made by a group in 1995 to purchase the cemetery but Council decided to retain the ownership and operation of Mountain View Cemetery. A Vision Plan and Master Plan were then commissioned to evaluate the future potential for reopening and revitalizing this civic space. Council approved the Vision Plan in 1998 and the Master Plan in March 2000.

Schematic plans for the first neighbourhood redevelopment began in August 2002 and were approved by Council in July 2004. At this time Council also approved the Financial Plan which included a 10-year financial projection and a schedule for repayment of the capital costs. The revenue for the Financial Plan relied on a fee schedule that was based on market fees. Construction is well under way and the new interment spaces and associated landscaping are scheduled to be completed in September 2007.

DISCUSSION

Since the sale of new space ceased in 1986, amendments to the fees have been done infrequently - once every three to five years. This typically resulted in large increases to make up for the lack of annual incremental adjustments. The most recent fee amendments in July 2003 required a significant market adjustment and the two most common fees - interments of caskets and cremated remains - were increased by 31% and 54% respectively.

The Financial Plan approved by Council in July 2004 included a 10-year projection of fees and revenues for the cemetery that would be necessary to ensure the repayment of the capital costs of the redevelopment. The report to Council at that time indicated that the plan relied upon future Council support for two critical components to make the project viable: the first was the reclamation and resale of abandoned casket graves and the second was support of the pricing strategy associated with the proposal. Reclamation of unused grave sites is targeted to occur one to three years after the cemetery is reopened. This report will address the pricing strategy.

There are two components to the proposed fee amendments recommended in this report and included in Appendix A: updating the current fees and establishing new fees. The current fees pertain to activities that continued after the sale of grave space was ended in 1986. They include activities such as opening and closing of grave space for the interment of caskets and cremated remains, placing markers and monuments on graves as well as a few cemetery products and other related services. The new fees are related to the sale of the new interment spaces currently under construction.

ADJUSTMENTS TO CURRENT FEES

The analysis of the current fees began with a review of the fee schedule proposed in the Financial Plan. That plan projected annual increases of 2.5%. Annual increments to the cemetery fees were not pursued during the past four years as staff focused on the planning and construction of the redevelopment. Had fees been incrementally adjusted over this period as proposed in the Financial Plan it would equate to a 10.4% increase by July 2007.

Using the annualized 10.4% increase as a starting point the current cemetery fees were adjusted and then compared to the market fees. This increment brought many of the cemetery fees inline with those charged by other municipal cemeteries. The summary of fees for other municipal cemeteries is included in Appendix B. When the adjusted fees for Mountain View Cemetery were compared to the market most of them compared quite equitably - close to the average, or just above average, as proposed in the Financial Plan.

In some cases the fees required additional increases to either bring them in line with the market, to allow for wide market variations or to allow for operational differences. As an example, only two cemeteries provide deep casket burial and the two cemetery fees range from \$650 to \$2,150 with an average price of \$1,375. One cemetery does not distinguish their price between standard and deep burial and the other cemetery charges double the fee for a deep interment. Our fee proposal also doubles our standard fee for deep interment - consistent with our current pricing structure. The resulting fee is 28% higher than the average but only 10% higher than our current fee.

ESTABLISHING NEW FEES

The second component to the amendments is the recommendation of new fees for the sale of interment space. The cemetery has not had a price for interment space since 1986 and has no recent history upon which to base these new fees. In addition, the types of spaces that are being offered have never been available from Mountain View Cemetery.

The pricing of these new spaces was also complicated by the very nature of the product and the market in which they are sold. Interment space is in many ways similar to real estate and the market recognizes a variety of factors in valuating a niche space; location, direction, proximity to others, material, feature amenities in the immediate area and a number of other factors all influence the value that is placed on a particular interment space. Many cemeteries, particularly the private sector ones or those with a large selection, tier their pricing to reflect this varied offering in their niche options. Failure to tier the pricing allows the most desirable niches to sell first and at a price that is considerably lower than market value. Additionally, many niches that are perceived to be priced over market value will remain unsold. The market does not perceive all niches as being equal and the pricing should reflect this.

Most municipal cemeteries have only a few columbaria, a small inventory of niches and little variety. Mountain View Cemetery's first phase of redevelopment will have more than 40 columbaria in seven different styles with more than 2,200 niches. In addition, there numerous improvements being made to the surrounding area including new pathways, extensive use of natural stone, tree planting and two water features. These factors and Mountain View Cemetery's status as the only cemetery in Vancouver, all combine to compel the cemetery to develop a comprehensive and varied pricing structure that reflects the level of detail, desirability and scope of this unique cemetery project.

An initial review of the niche fees of municipal cemeteries yielded a wide range of fees. In addition to the complications of comparison due to the scope of Mountain View Cemetery's project as compared to the typical offerings at the other cemeteries, some of the niches at the other cemeteries only accommodate one urn per niche. All of the niches at Mountain View Cemetery will allow up to two urns per niche. In order to allow for this inconsistency in the comparison of fees, the cost of niche space for both one urn and two urns was compared.

A second complicating factor was that many municipal cemeteries charge a different fee for residents and non-residents. Law's opinion, however, is that the Vancouver Charter does not allow the City to charge different fees based on residency. In order to allow for its presence in other municipal cemetery pricing the average of the two fees were used in our comparisons. The summary of the fees is included in Appendix B.

The result of this comparison was an average price of \$2,494 for a single urn niche and \$3,690 for a two urn niche. The range of fees varied from \$1,570 to \$5,729. The pricing structure proposed in this report ranges from \$2,000 to \$5,600 in increments of \$300. The average price of a niche in the proposed pricing model is \$3,432. The distribution of the inventory of niches at various price points is summarized below:

Niche Fee	Qty	%
\$2,000 - \$2,499	324	14%
\$2,500 - \$2,999	595	26%
\$3,000 - \$3,499	300	13%
\$3,500 - \$3,999	367	16%
\$4,000 - \$4,499	247	11%
\$4,500 - \$4,999	208	9%
\$5,000+	208	9%
TOTAL	2,249	100%

This pricing structure places fees at Mountain View Cemetery comparable to the market fees and maintains the integrity of the Financial Plan ensuring cost recovery of the capital development costs.

CHANGES TO THE ADMINISTRATIVE FEE

The current Mountain View Cemetery By-Law was approved in July 2003. The portion of the bylaw that stipulates the refund, should a person wish to return an unused interment space to the cemetery, is based on fees from 1986 - the last time interment space was sold by the cemetery. The 25% fee would result in a maximum administrative fee of \$20.00 with the balance being returned to the former lot owner. If this provision remains, based on the fees proposed in this report, a lot holder returning a vacant niche to the cemetery would be subject to an administrative fee ranging from \$475 to \$1,260.

A revision to this portion of the bylaw is recommended that would replace the percentage fee with a fixed fee. The fixed fee proposed is \$50. This fee is reflective of the costs associated with documenting and processing the disposition and is considerably more equitable than applying a percentage. Appendix C includes the current language and the proposed language.

FINANCIAL IMPLICATIONS

Adjustments proposed to the existing fees of the cemetery are consistent with the assumptions that were made in the Financial Plan. While not critical to the overall revenue of the cemetery, the fees do need to keep pace with both the market and annual increases in operating costs of the cemetery: wages, materials, utilities, etc. While it has been almost four years since the last increase in fees, with the imminent reopening of the cemetery it is anticipated that future increases will be introduced annually as proposed in the Financial Plan. This will reduce the size of the impact and make the cemetery fees more responsive to both costs and the market.

The fees for the new interment spaces have a significant impact on the future success of the cemetery and its ability to meet the financial commitments to repay the capital costs of development, begin to build the perpetual care fund, establish a reserve to fund future development projects and to eventually remove the cemetery from its decades long reliance on subsidy from the taxpayer.

There is some uncertainty with the pricing structure being proposed as it has been more than 20 years since the cemetery last sold interment space. The type of space being created, the scope of the project, and the nature of both the product and the market (as discussed in the pricing portion of this report) may require an adjustment to pricing in the near future. The Cemetery Committee will monitor the first few months of sales very closely and may need to bring additional pricing adjustments back to Council for consideration.

IMPLEMENTATION PLAN

The initial demand for space in Mountain View Cemetery is expected to be very high. Several hundred people have left their name and address with the Cemetery asking to be notified when the new space becomes available. In order to ensure that the availability of space is equitable to all prospective purchasers, the Cemetery Committee has decided to carefully schedule the release of the new interment space. Rather than make all of the new space available immediately, where there is potential that the first purchasers will acquire all of the most desirable spaces, the new spaces will be released in phases. This will allow the cemetery to ensure there is a range of interment space at a variety of fees at any given time. It will also reduce the need for prospective purchasers to be first in line in order to acquire a desirable space. Some may choose to wait until the second or third portion is released. This phased system will also allow the Cemetery Committee an opportunity to evaluate the effect of the proposed pricing structure on demand for the various new spaces and to recommend adjustments if necessary.

Operationally, there is great potential for the Cemetery Office to be overwhelmed with initial demand for space. To mitigate this demand and to prevent people from standing in line at the office, the initial sales of cemetery space will be made by appointment only.

The first several days will be used to book individual appointments over the following weeks. Appointments will only be taken over the phone and no in-person sales will be allowed. Over the next several weeks cemetery staff will meet as scheduled to begin the sale of these new spaces. Only once the initial demand is met, a process that is expected to take several weeks, will sales of interment space be opened to walk-in transactions at the cemetery office.

COMMUNICATIONS PLAN

Once the date has been determined to begin the sale of space, a general notice will be sent to the media, local funeral homes and other industry contacts. At the same time a letter will be sent to those on the cemetery's notification list.

CONCLUSION

The reopening of Mountain View Cemetery has been anticipated for many years. There has been much discussion, planning, consultation, thought, effort and support put forward to make the redevelopment possible. The actions resulting from this report represent the final step in the successful reopening of Vancouver's only cemetery. 120 years after the first interment, and more than 21 years since the closure, Mountain View Cemetery will once again be an option for many of Vancouver's citizens to inter, commemorate and perhaps most importantly, to remember their loved ones.

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MOUNTAIN VIEW CEMETERY FEES AND CHARGES

LICENSE FOR INTERMENT RIGHTS

Columbaria Niche in:

MASONIC/*/MTN VIEW/425W or 439W
MASONIC/*/SEYMOUR/440E or 468E

	<u>Right of Interment</u>	<u>Care Fund</u>	<u>TOTAL</u>
Bottom Row	1,800.00	200.00	2,000.00
Top Row or Second Row from Bottom	2,070.00	230.00	2,300.00
Second Row from Top or Third Row from Top	2,340.00	260.00	2,600.00

Columbaria Niche in:

MASONIC/*/MTN VIEW/425E, 426, 439E, 463W, 487W or 495W
MASONIC/*/SEYMOUR/418E, 440W or 468W

	<u>Right of Interment</u>	<u>Care Fund</u>	<u>TOTAL</u>
Bottom Row	2,340.00	260.00	2,600.00
Top Row or Second Row from Bottom	2,610.00	290.00	2,900.00
Second Row from Top or Third Row from Top	2,880.00	320.00	3,200.00

Columbaria Niche in:

MASONIC*/MTN VIEW/414, 447W, 455W, 463E, 470, 471W, 483W, 487E or 495E

MASONIC*/SEYMOUR/418W

	<u>Right of Interment</u>	<u>Care Fund</u>	<u>TOTAL</u>
Bottom Row.....	2,880.00	320.00	3,200.00
Top Row or Second Row from Bottom.....	3,150.00	350.00	3,500.00
Second Row from Top or Third Row from Top	3,420.00	380.00	3,800.00

Columbaria Niche in:

MASONIC*/FOUNTAIN/NW or SW

	<u>Right of Interment</u>	<u>Care Fund</u>	<u>TOTAL</u>
Bottom Row.....	3,150.00	350.00	3,500.00
Top Row or Second Row from Bottom.....	3,420.00	380.00	3,800.00
Second Row from Top or Third Row from Top	3,690.00	410.00	4,100.00

Columbaria Niche in:

MASONIC*/MTN VIEW/447E, 455E, 471E, 480 or 483E

	<u>Right of Interment</u>	<u>Care Fund</u>	<u>TOTAL</u>
Bottom Row.....	3,420.00	380.00	3,800.00
Top Row or Second Row from Bottom.....	3,690.00	410.00	4,100.00
Second Row from Top or Third Row from Top	3,960.00	440.00	4,400.00

Columbaria Niche in:

MASONIC*/CHESTNUT/495E, 495W, 496E, 496W, 505E, 505W, 515E or 515W
 MASONIC*/CHESTNUT/522E, 522W, 523E, 523W, 530E, 530W, 531E or 531W
 MASONIC*/CHESTNUT/539E, 539W, 545E, 545W, 554E, 554W, 564E or 564W
 MASONIC*/CHESTNUT/572E, 572W, 589E, 589W, 595E, 595W, 596E or 596W
 MASONIC*/CHESTNUT/610E, 610W, 611E, 611W, 620E, 620W, 621E or 621W
 MASONIC*/CHESTNUT/630E, 630W, 631E, 631W, 640E, 640W, 641E or 641W
 MASONIC*/CHESTNUT/650E, 650W, 660E, 660W

	<u>Right of Interment</u>	<u>Care Fund</u>	<u>TOTAL</u>
Bottom Row.....	3,960.00	440.00	4,400.00
Top Row or Second Row from Bottom.....	4,240.00	470.00	4,700.00
Second Row from Top or Third Row from Top	4,500.00	500.00	5,000.00

Family Columbaria:

MASONIC*/MTN VIEW/433, 451 or 477

	<u>Right of Interment</u>	<u>Care Fund</u>	<u>TOTAL</u>
Use of All 6 Niches.....	37,800.00	4,200.00	42,000.00

Family Urn:

MASONIC*/CHESTNUT/495, 496, 505, 515, 522, 523, 530, 531, 539, 545, or 554
 MASONIC*/CHESTNUT/564, 572, 589, 595, 596, 610, 611, 620, 621, 630 or 631
 MASONIC*/CHESTNUT/640, 641, 650 or 660

	<u>Right of Interment</u>	<u>Care Fund</u>	<u>TOTAL</u>
Use of the Interior of the Urn.....	28,800.00	3,200.00	32,000.00

INTERMENT

Adult Casket - Single Depth (first interment or prior interment deep)	
Interment Fee	880.00
Adult Casket - Deep (first interment only)	
Interment Fee	1,760.00
Child Casket (up to 48" long)	
Interment Fee	660.00
Infant Casket (up to 24" long)	
Interment Fee	150.00
Cremated Remains (in-ground)	
Interment Fee	375.00
Cremated Remains (in-niche)	
Inurnment Fee	325.00
Cremated Remains (scattering)	
Scattering Fee	275.00
Re-open Grave for Casket (single depth)	
Interment Fee	1,320.00
Re-open Grave for Casket (deep)	
Interment Fee	2,200.00

MEMORIAL INSTALLATION

Flat Marker (9" x 12" or 10" x 18" or 12" x 20")	
Install	110.00
Care Fund Contribution	85.00
TOTAL.....	195.00
Flat Marker (16" x 28" or 18" x 30")	
Install	140.00
Care Fund Contribution	85.00
TOTAL.....	225.00

Infant Commemorative Stone	
Supply and install	125.00
Care Fund Contribution	125.00
TOTAL.....	250.00
Foundation for memorial or marker (20"x36" foundation)	
Supply and Install	245.00
Care Fund Contribution	150.00
TOTAL.....	395.00
Foundation for memorial or marker (20"x42" foundation)	
Supply and Install	345.00
Care Fund Contribution	150.00
TOTAL.....	495.00
Foundation for memorial or marker (20"x48" foundation)	
Supply and Install	445.00
Care Fund Contribution	150.00
TOTAL.....	595.00
Foundation for memorial or marker (20"x54" foundation)	
Supply and Install	545.00
Care Fund Contribution	150.00
TOTAL.....	695.00
Foundation for memorial or marker (20"x60" foundation)	
Supply and Install	645.00
Care Fund Contribution	150.00
TOTAL.....	795.00
Foundation for 12" x 20" Lawn Marker (20"x30" foundation)	
Supply and Install	245.00
Care Fund Contribution	150.00
TOTAL.....	395.00
Foundation for 18" x 30" Lawn Marker (30"x42" foundation)	
Supply and Install	445.00
Care Fund Contribution	150.00
TOTAL.....	595.00
Niche Inscription	175.00
Replacement Niche (single)	200.00
Replacement Niche (double).....	300.00
Replacement Niche (triple)	400.00

MEMORIAL REMOVAL AND REINSTALLATION or REPLACEMENT

Flat Marker (9" x 12" or 10" x 18" or 12" x 20") Remove and Reinstall 85.00

Flat Marker (16" x 28" or 18" x 30") Remove and Reinstall..... 110.00

DISINTERMENT AND EXHUMATION

Exhumation - Adult Casket - Single Depth 1,320.00

Exhumation - Adult Casket - Deep 2,200.00

Exhumation - Child Casket 880.00

Exhumation - Infant Casket 370.00

Exhumation - Cremated Remains (in-ground) 325.00

OTHER PRODUCTS AND SERVICES

Installation only of Casket Vault or Liner - Single Depth 300.00

Installation only of Cremated Remains Vault or Liner
(> 20 kg or > 36 cm in length or width) 110.00

Administration Fee 50.00

License Disposition Fee 50.00

Survey of Fees from Municipal Cemeteries in Lower Mainland and Victoria

	New West.	City of N. Van.	West Van.	Coq.	Port Coq.	Victoria	Avg.	Range
Effective Date	<i>Feb-06</i>	<i>Jul-06</i>	<i>Aug-05</i>	<i>Jan-07</i>	<i>Oct-04</i>	<i>Jan-07</i>		
COLUMBARIA								
Niche (one urn)	2,865 ¹²	3,780 ¹	2,388 ¹²	1,923 ²	1,570 ¹	2,440	2,494	1,570 - 3,780
Niche (two urns)	5,730	3,780	4,775	3,846	1,570	2,440	3,690	1,570 - 5,730
INTERMENT								
Casket - standard	650	1,180	870	675	1,050	695	853	650 - 1,180
Casket - deep	650	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	2,100	<i>n/a</i>	1,375	650 - 2,100
Cremated Remains (<i>In-ground</i>)	300	480	300	414	280	315	348	280 - 480
Cremated Remains (<i>in-niche</i>)	300	360	165	332	280	315	292	165 - 360
MARKER INSTALLATION								
Small (<i>9"x12"</i>)	80	170	<i>n/a</i>	184	60	<i>n/a</i>	124	60 - 184
Medium (<i>12"x20"</i>)	80	170	200	184	60	150	141	60 - 200
Large (<i>18"x30"</i>)	80	170	200	184	60	190	147	60 - 200

¹ average of the resident and non-resident fee

² only one set of cremated remains allowed per niche

Comparison of Vancouver Fees (current and proposed)

	Average	Range	Vancouver (<i>Current</i>)	Vancouver (<i>PROPOSED</i>)	
COLUMBARIA					
Niche (one urn)	2,494	1,570 - 3,780	<i>n/a</i>	2,000 - 5,600 (3,432 average)	
Niche (two urns)	3,690	1,570 - 5,730			
INTERMENT			Current	Proposed	% increase
Casket - standard	853	650 - 1,180	800	880	10.0%
Casket - deep	1,375	650 - 2,100	1,600	1,760	10.0%
Cremated Remains (<i>In-ground</i>)	348	280 - 480	275	375	46.7%
Cremated Remains (<i>in-niche</i>)	292	165 - 360	<i>n/a</i>	325	<i>n/a</i>
MARKER INSTALLATION					
Small (<i>9"x12" or 12"x20"</i>)	141	60 - 200	175	195	11.4%
Large (<i>16"x28" or 18"x30"</i>)	147	60 - 200	200	225	12.5%

Proposed Changes to Administrative Fee for the Surrender of a License

~~deletion~~ addition

Refund after surrender of licence

- 3.6 If the cemetery manager accepts a surrender of a licence under section 3.5, the cemetery manager must refund to the licensee an amount equal to the licence fee originally paid for the licence less the aggregate of that portion of the original licence fee stipulated as a contribution to the care fund referred to in section 10.1, that portion, if any, of the original licence fee stipulated as the non-resident fee, and ~~an administrative fee equal to 25% of the original licence fee~~ the License Disposition Fee as set out in Schedule B.

Compensation for surrendered lot

- 9.3 If the cemetery manager accepts the surrender of a lot under section 9.2, the city will pay, according to the deceased licensee's representative's instructions, an amount equal to the licence fee originally paid for the licence less the aggregate of:
- (a) that portion of the original licence fee stipulated as a contribution to the care fund referred to in section 10.1;
 - (b) that portion, if any, of the original licence fee stipulated as the non-resident fee; and
 - (c) ~~an administrative fee equal to 25% of the original licence fee~~ the License Disposition Fee as set out in Schedule B.