



CITY OF VANCOUVER

ADMINISTRATIVE REPORT

Report Date: July 7, 2008
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VanRIMS No.: 08-2000-20
Meeting Date: July 22, 2008

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 as set out in Appendix A to this report, and repeal the existing schedule of fees to take effect on August 1, 2008.
- B. THAT Council approve amendments to the Mountain View Cemetery By-Law, as set out in Appendix B to this report, to address requirements from the provincial regulatory authority for cemeteries with regard to cancellation of interment rights licenses.
- 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 B.

GENERAL MANAGER'S COMMENTS

The General Manager of Community Services recommends approval of Recommendations A to C noting that the fee adjustments are consistent with the previous market analysis and maintain the cemetery revenue targets identified in 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 22 years since Mountain View Cemetery ceased the sale of new grave space. Construction has been underway for almost two years and has taken longer to complete than anticipated. While work has been completed on two new buildings and the more than 2,200 new spaces for interment, some final landscaping has yet to be completed and the reopening of the cemetery has been delayed.

This report recommends an adjustment to the fee structure approved by Council on June 26, 2007. The recommendation would reduce the number of different fee categories for new spaces from 18 to three, simplifying the process for customers and staff while still yielding the same overall revenue for the cemetery. The report also recommends an amendment to the Mountain View Cemetery By-Law to make it consistent with provincial regulatory authority requirements regarding cancellation of interment rights.

BACKGROUND

Owned and operated by the City of Vancouver since 1887, Mountain View Cemetery was closed to the sale of grave space on March 27, 1986. Since the closure, interments have continued but only in graves purchased from the cemetery prior to the closure. A Master Plan approved in 2000 led to the initiation of a construction project to revitalize and re-open the cemetery to the sale of new spaces - primarily for cremated remains. The revitalization plan - which is being implemented under the direction of the Cemetery Committee - was approved along with a Financial Plan which included a 10-year financial projection for repayment of the capital costs and the eventual elimination of subsidy from the Operating Budget. The success of the Financial Plan relies on maintaining a fee schedule that is based on market fees.

Construction began in August 2006 and has resulted in the creation of two new buildings and more than 2,200 new spaces for cremated remains. A third building is near completion and only the final landscaping is required to complete the entire project. It is currently anticipated that all aspects of the construction will be completed by October 2008.

DISCUSSION

ADJUSTMENTS TO FEES

In preparation for the eventual reopening of Mountain View Cemetery to the sale of new spaces for interment, a thorough review of other market cemetery rates was completed. The results of that review, along with the revenue projections approved in the Financial Plan, resulted in a new schedule of fees that was approved by Council on June 26, 2007. The approved fees and charges included increments to existing fees as well as establishing a pricing structure for the new spaces that were soon to be completed.

The pricing structure for the new spaces was based on industry accepted principles of varying prices to allow for market preferences. Much like the real estate market the public considers many other factors when considering the value of a space. Due to the large scale of the Mountain View Cemetery project - more than 2,200 new spaces - the pricing structure that was proposed and approved included 18 different price points ranging from \$2,000 to \$5,000 per space. This structure allowed for variations in size, location, proximity to feature areas, orientation (east facing versus west facing) and for the height of the space (ground level versus eye level). The net revenue based on these prices was \$7,718,500.

The delay in reopening the cemetery to the sale of new spaces has allowed time to evaluate the pricing structure and its implications on cemetery staffing and the consumer. The application of this detailed tiered pricing structure, while based on industry accepted principles, is difficult to implement without any reference point or sales history. Since Mountain View Cemetery has not sold a space for more than 22 years, has never offered these types of spaces, and the spaces themselves are unique to the lower mainland, it is difficult to determine precisely how the public will value them relative to each other. With no historical basis to draw from, the original pricing structure attempted to anticipate the variations in demand from the public. After reviewing the complexity of the previously approved fee structure the Cemetery Committee determined that while differential pricing structure may be warranted there is not enough market history at Mountain View Cemetery to support the wide number of pricing categories proposed.

Based on this information a new fee structure for the spaces at Mountain View Cemetery is proposed and included in Appendix A of this report. The new structure is somewhat simplified but continues to reflect the differentiation in value of factors such as size, location, orientation and proximity and a strong industry wide acceptance of the value of height where spaces located at the bottom of a structure carry a lower value than spaces higher up. As a result, the new structure allows only three variations in price based solely on the height. The lowest priced spaces are in the bottom row and the highest priced spaces are in the upper rows. The range of prices is from \$2,600 to \$3,800 per space while maintaining a similar total revenue target (\$7,719,500) and average price (\$3,436) as the previously approved fees. All other fees and charges remain unchanged. The allocation of the inventory of new spaces and their prices is summarized in the following table:

Price (\$)	Approved July 2007		Proposed July 2008	
	# of Spaces	Revenue	# of Spaces	Revenue
2,000	132	264,000		-
2,300	192	441,600		-
2,600	309	803,400	409	1,063,400
2,900	286	829,400		-
3,100		-	469	1,453,900
3,200	300	960,000		-
3,500	152	532,000		-
3,800	215	817,000	1,369	5,202,200
4,100	111	455,100		-
4,400	136	598,400		-
4,700	208	977,600		-
5,000	208	1,040,000		-
TOTAL	2,249	7,718,500	2,247*	7,719,500
AVERAGE PRICE		3,432		3,435

* 2 spaces were eliminated during construction reducing the total from 2,249 to 2,247

The Cemetery Committee is proposing to use this fee structure for the initial sales and to review for market acceptance following this phase. Price adjustments will be recommended based on sales experience following this initial offering.

CHANGES TO THE BY-LAW

The operation of all cemeteries in the province of British Columbia is regulated by the *Cremation, Interment and Funeral Services Act*. The Act and accompanying regulations govern many aspects of cemetery operation including specific requirements regarding refunds and cancellation of licenses for interment rights (the purchase of grave space).

Since Mountain View Cemetery has not sold a space since 1986 new documents were required and these were created in consultation with Legal Services and the regulatory authority. The language related to refunds and cancellations in the current Mountain View Cemetery By-Law 8719 is not consistent with the requirements in the Act and Appendix B contains the changes recommended to address these.

FINANCIAL IMPLICATIONS

Council approved the Financial Plan for the redevelopment of Mountain View Cemetery in July 2004 when the design phase was initiated. When the contract for construction was awarded by Council in June 2006 the financial costs had escalated beyond those originally considered in the Financial Plan. Council's approval of the construction contract included several options identified to address this within the Financial Plan. These options included extending the taxpayer subsidy of the cemetery from seven to twelve years, lengthening loan amortizations, adjusting the timing of additional product releases and ensuring that prices are set at market rates.

The amendments to the fee structure proposed in Appendix A are comparable to current market rates and consistent with the overall revenue projections when the structure was first approved by Council in June 2007. The proposed adjustments are consistent with the overall goals of Mountain View Cemetery's Financial Plan, which included milestones for elimination of the taxpayer subsidy, retirement of debt and becoming a self-financing operation.

CONCLUSION

The reopening of Mountain View Cemetery has been anticipated for many years and delayed in recent months. This has allowed time to revisit the pricing structure and simplify it to facilitate easier communication between staff and families with regard to the sale of these new spaces. In the coming months 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/425E, 425W, 426, 439E, 439W, 455E, 455W, 463E, 463W, or 470
MASONIC/*/SEYMOUR/418E, 440E or 468E
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
MASONIC/*/FOUNTAIN/NW or SW

	<u>Right of Interment</u>	<u>Care Fund</u>	<u>TOTAL</u>
Niches 1000 through 3999	3,420.00	380.00	3,800.00
Niches 4000 through 4999	2,790.00	310.00	3,100.00
Niches 5000 through 5999	2,340.00	260.00	2,600.00

Columbaria Niche in:

MASONIC/*/MTN VIEW/447E, 447W, 483E, 483W, 487E, 487W, 495E or 495W

	<u>Right of Interment</u>	<u>Care Fund</u>	<u>TOTAL</u>
Niches 1000 through 2999	3,420.00	380.00	3,800.00
Niches 3000 through 3999	2,790.00	310.00	3,100.00
Niches 4000 through 4999	2,340.00	260.00	2,600.00

Columbaria Niche in:

MASONIC/*/MTN VIEW/471E, 471W or 480

	<u>Right of Interment</u>	<u>Care Fund</u>	<u>TOTAL</u>
Niches 1000 through 3999	3,420.00	380.00	3,800.00
Niches 4000 through 4999	2,790.00	310.00	3,100.00

Columbaria Niche in:

MASONIC*/SEYMOUR/418E or 440W

	<u>Right of Interment</u>	<u>Care Fund</u>	<u>TOTAL</u>
Niches 1000 through 4999	3,420.00	380.00	3,800.00
Niches 5000 through 5999	2,790.00	310.00	3,100.00
Niches 6000 through 6999	2,340.00	260.00	2,600.00

Columbaria Niche in:

MASONIC*/SEYMOUR/468E

	<u>Right of Interment</u>	<u>Care Fund</u>	<u>TOTAL</u>
Niches 1000 through 1999	3,420.00	380.00	3,800.00
Niches 2000 through 2999	2,790.00	310.00	3,100.00
Niches 3000 through 3999	2,340.00	260.00	2,600.00

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	27,000.00	3,000.00	30,000.00

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.....	22,500.00	2,500.00	25,000.00

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
Additional Cremated Remains	
(for each additional set of cremated remains when done	
concurrent and in the same lot as another interment)	
Interment Fee	100.00
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

PROPOSED CHANGES TO MOUNTAIN VIEW CEMETERY BY-LAW 8719

Re-number sections 3.7 and 3.8 as 3.8 and 3.9 respectively.

Repeal sections 3.5 and 3.6, and substitute:

Cancellation of licence

3.5 A licensee may cancel a licence if:

- (a) there are no interments in the lot designated in the licence; and
- (b) the licensee gives written notice of cancellation to the cemetery manager at 5455 Fraser Street, Vancouver, BC V5W 2Z3.

Refund after cancellation of licence within 30 days

3.6 If the cemetery manager receives notice of cancellation of a licence under section 3.5 within 30 days after the date of the licence, the cemetery manager must refund to the licensee the amount paid by the licensee at the time of issuance of the licence less the cost of goods or services that because of being specially ordered or because of personalization or other unique characteristic cannot be used in the ordinary course of business.

Refund after cancellation of licence past 30 days

3.7 If the cemetery manager receives notice of cancellation of a licence under section 3.5 more than 30 days after the date of the licence, the cemetery manager must refund to the licensee the amount paid by the licensee at the time of issuance of the licence less the cost of goods or services that because of being specially ordered or because of personalization or other unique characteristic cannot be used in the ordinary course of business, 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 the license disposition fee set out in Schedule B.