

# City Cemeteries

Led by: Calgary Parks

## Description:

The City has one active operating cemetery (Queen's Park), a new cemetery under development (in southeast Calgary) and four historic cemeteries (Union, Burnsland, Chinese and St. Mary's). The Government of Alberta's Cemetery Act states that only municipalities and faith-based organizations can provide new cemeteries. There is an obligation in perpetuity to maintain cemetery sites.

## Customers:

Cemetery customers are families and individuals purchasing space in advance or at the time of need.

## What is delivered to customers:

Interment product options (i.e. burials, cremations), memorialisation products, public open space and cemetery maintenance.

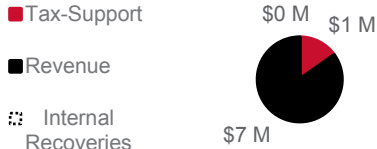

## Partners:

Funeral home providers and related product suppliers.

## Service need (value proposition):

Customers are assured that quality cemetery services, from interment (i.e. burials, cremations) to maintenance and memorialisation products, are available at reasonable/value-based costs. Cemeteries also provide almost 100 hectares of historically and culturally significant public space.

## Current state service value

|   |  |  |
|---|--|--|
| <p><b>\$7 million</b><br/>Cemetery revenue in 2017</p> <p><b>1,550</b><br/>Total interments in 2017</p>                             | <p><b>12%</b><br/>Queen's Park interment increase in 2017</p> <p><b>&lt;3 years</b><br/>Casket space available at Queen's Park</p> | <p>2018 Budgeted Gross Operating Expenditures Funding Breakdown (\$ Millions)*</p>  <p><b>\$1</b><br/>Annual operating cost per resident to maintain historic cemeteries</p> <p>* Gross operating budget and the service cost ratio may include internal recoveries that are also included in other services gross operating budget.</p> |
| <p><b>Connections to Citizen Priorities</b></p>  |  | <p><b>What the service includes</b><br/>This service has no sub-services.</p> <p><b>Key Capital Investments</b><br/>A new southeast cemetery is partially funded with an additional ask in 2019-22 for site development. We also have a capital request for future cemetery land in north Calgary as Queen's Park has less than three years of casket burial space available.</p>  |



## What we've heard and service outlook

### What we heard: Research & Engagement Results

Quality was ranked as the top value dimension for this service by participants in both the One Calgary online engagement and Citizen's View panel review. Quality was followed by availability, sustainability and legislative compliance. Comments received included "provide well-maintained spaces" and "ensure sustainable interment options across the city." Applicable general feedback on City services included focusing on programs and services that are affordable, inclusive and accessible for all Calgarians. Ongoing tracking of 311 and in-house cemetery feedback forms provide ongoing insight on customer concerns and service requests.

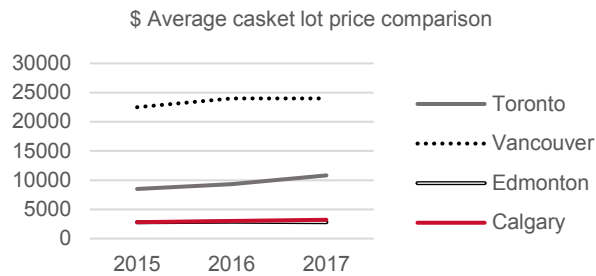
### What Council has directed

Key long-term plans guiding our service are the: Cemeteries Strategic Plan (CPS 2010-04), Cultural Landscapes Strategic Plan (CPS 2012-22) and the province's Cemeteries Act. We support Council Directives H6 and N1 by providing public green spaces for citizens that are safe, accessible and inclusive. All cemeteries are open daily to the public and provide almost 100 hectares in green space. The perpetual care of our four historic cemetery sites: St. Mary's (1876), Union (1891), Chinese (1908) and Burnsland (1923) as well as Canadian military monuments in Queen's Park Cemetery support Council's Directive to cherish and protect our city's heritage (N3). Cemeteries is predominantly a self-supporting service (W1).

### What are we watching?

Trends include more City Cemetery customers purchasing lower-priced, value-based products and services. Traditional cultural burial practices are increasing along with immigration. Second- or third-generation Canadians are increasingly moving towards cremation options. Industry trends include a growing interest in "green burials" to lessen the environmental footprint of traditional interments. The activation of cemeteries as public green space will also continue as cemeteries host diverse community activities. There is a risk that short-term revenues may decline with a transition to the south cemetery as this new cemetery builds customer awareness and clientele. Other risks include severe weather events impacting maintenance and the lack of future cemetery land in north Calgary.

### Benchmarking



The City of Calgary's burial plot and cremation niche fees remain on average or below the competitive market, with interment fees remaining at consistent, competitive levels. To bring fees to a more competitive market level, gradual increases will continue to be implemented to specific products (as presented in the Cemeteries 2010-2020 Strategic Plan). The other city cemeteries included were Northern Lights (Edmonton), Mountain View (Vancouver) and Necropolis (Toronto).

Source: City Cemeteries market research

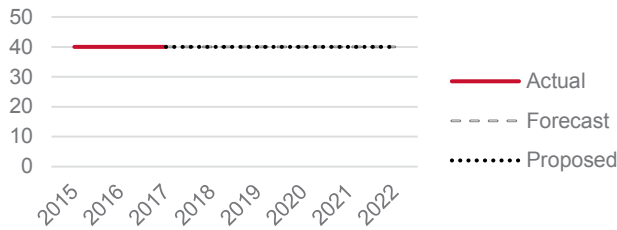
### What matters to Calgarians

| VALUE DIMENSION        | DESCRIPTION   |
|------------------------|---|
| Quality                | City cemeteries provide a dignified service for the respectful interment and memorialisation of loved ones. |
| Availability           | Access to a range of affordable cemetery space alternatives is a public expectation and public health need. |
| Sustainability         | Cemetery operations are well-managed for long-term feasibility.   |
| Legislative Compliance | The City of Calgary provides cemetery services in compliance with the provincial Cemeteries Act.            |
|                        |   |



## How is the Service performing? Where we are headed and where do we want to go?

Cemetery Sustainability (% of cemetery revenues used for perpetual municipal cemetery maintenance and operations)

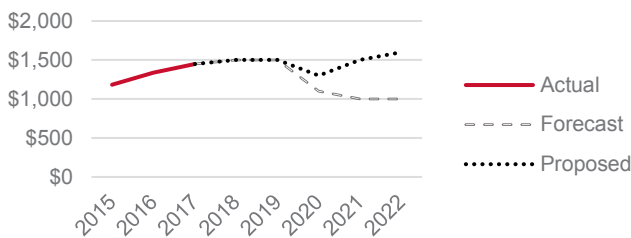


### Story behind the curve

#### Cemetery Sustainability

City Cemeteries aims to transfer 40 per cent of revenue (based on an industry best practice) to a Perpetual Care Fund each year. This fund pays for cemetery maintenance. Ongoing growth of this fund will lessen the need for future mill rate support. City Cemeteries currently receives \$1.3 million in mill rate to offset maintenance of The City of Calgary's four non-revenue-generating historic cemeteries.

Cemetery Interment Sales (Burial plot, cremation and mausoleum interments sales \$(000))



#### Cemetery Interments

Our main challenge is transitioning to new cemetery lands in both the north and south (ideally in the next five years). The available casket space in Queen's Park Cemetery is near capacity. Cemetery expansion and land opportunities in the north continue to be pursued, with capital funding required to purchase new land and develop it. Establishing our business in a new customer catchment area in 2019-22 will likely impact short-term revenues and this is reflected in our forecast. We anticipate turning the curve through additional capacity as new cemeteries open.



## What do we propose to do?

### What we propose to continue doing

| STRATEGY   |
|--|
| Provide burial services and memorialization options that meet client and community expectations. |
| The internal maintenance agreement with Calgary Parks for the four heritage cemeteries.          |
| Support public events in City cemeteries (e.g. monument cleaning, Remembrance Day).              |
| Enhance our grounds with ecological treatments for cemeteries (compost tea program).             |
| Effectively repair graves and maintain Queen's Park Cemetery.                                    |
| Continually review operational practices and become more efficient, innovative and effective.    |
| Reduce water usage by becoming more effective and efficient in our watering practices.           |

#### Why?

Our service delivery is guided by the Cemeteries Strategic Plan (CPS 2010-04), Cultural Landscapes Strategic Plan (CPS 2012-22) and the province's Cemeteries Act. Our primary focus is providing dignified services for the respectful interment and memorialisation of loved ones. As a municipality, we are legislated to deliver this service. Our business model is based on long-term sustainability and offering quality service to current and future generations of citizens.

### What we propose to do less of

| STRATEGY                                      |
|---|
| Sod use for plot excavations to reduce costs. |
|   |
|   |
|   |

#### Why?

In 2018, City Cemeteries received \$1.3 million in operating funding to help cover maintenance costs, including our four non-revenue generating historic cemeteries (St. Mary's, Union, Chinese and Burnsland). To absorb inflation and operating costs for new capital, we will continue to look for cost savings and efficiencies in our daily operations.

### What we propose to do more of or include as a new offering

| STRATEGY  |
|---|
| Work to shift casket burial operations to the new south cemetery (capital funding dependent).                     |
| Pursue opportunities for new cemetery space in north Calgary to address future community needs.                   |
| Increase seeding practices (versus sod use) for plot excavations to reduce costs and enhance turf sustainability. |
| Promote the new Cemetery Grave Finding App to help the public find family graves.                                 |
| Investigate new burial trend opportunities (e.g. green burials).  |

#### Why?

The long-term capital needs for our service include serving current and future generations in north Calgary. Our planning efforts will focus on finding new cemetery space in the north as well as shifting casket burial operations in the next few years to the new southeast cemetery (dependent on capital funding).



## What Operating Budget do we need to achieve these results and strategies?

For Council Approval

| SERVICE PERFORMANCE RESULTS FOR 2019-2022   | CURRENT | TREND |
|---|---------|-------|
| Cemetery Sustainability (% of cemetery revenues used for perpetual municipal cemetery maintenance and operations) | 40      | ↔     |
| Cemetery Interment Sales (Burial plot, cremation and mausoleum interments sales \$(000))                          | 1,500   | ↔     |
|   |         |       |
|   |         |       |

### Breakdown of net operating budget (000s)

|   | 2019  | 2020  | 2021  | 2022  |
|---|-------|-------|-------|-------|
| Previous Year's Budget                          | 1,297 | 1,298 | 1,299 | 1,300 |
| Less Previous Year one Time                     | -     | -     | -     | -     |
| Base  | 1,297 | 1,298 | 1,299 | 1,300 |
| Revenue Changes                                 | -     | -     | -     | -     |
| Internal Recovery Changes                       | -     | -     | -     | -     |
| Inflation                                       | 55    | 63    | 59    | 62    |
| Operating Impact of Previously Approved Capital | -     | -     | -     | -     |
| Operating Impact of New Capital (Incremental)   | -     | -     | -     | -     |
| Efficiencies                                    | (54)  | (62)  | (58)  | (61)  |
| Service Reductions                              | -     | -     | -     | -     |
| Service Increases                               | -     | -     | -     | -     |
| One Time  | -     | -     | -     | -     |
| Realignments                                    | -     | -     | -     | -     |
| Total   | 1,298 | 1,299 | 1,300 | 1,301 |

### Total Operating Budget (\$000s) for Approval

|                    | 2018 Budget | 2019    |          |         | 2020    |          |         | 2021    |          |         | 2022    |          |         |
|--------------------|-------------|---------|----------|---------|---------|----------|---------|---------|----------|---------|---------|----------|---------|
|                    | At Mar 31   | Base    | One-Time | Total   | Base    | One-Time | Total   | Base    | One-Time | Total   | Base    | One-Time | Total   |
| <b>Expenditure</b> | 8,531       | 8,532   | -        | 8,532   | 8,533   | -        | 8,533   | 8,534   | -        | 8,534   | 8,535   | -        | 8,535   |
| <b>Recoveries</b>  | (16)        | (16)    | -        | (16)    | (16)    | -        | (16)    | (16)    | -        | (16)    | (16)    | -        | (16)    |
| <b>Revenue</b>     | (7,218)     | (7,218) | -        | (7,218) | (7,218) | -        | (7,218) | (7,218) | -        | (7,218) | (7,218) | -        | (7,218) |
| <b>Net</b>         | 1,297       | 1,298   | -        | 1,298   | 1,299   | -        | 1,299   | 1,300   | -        | 1,300   | 1,301   | -        | 1,301   |



# Recommended Capital Investment to Support Service Delivery

For Council Approval

## Capital Budget for Council Approval

| ACTIVITY                               | DESCRIPTION             | 2019<br>REQUEST<br>(\$000s) | 2020<br>REQUEST<br>(\$000s) | 2021<br>REQUEST<br>(\$000s) | 2022<br>REQUEST<br>(\$000s) | 2023+<br>REQUEST<br>(\$000s) | Total<br>REQUEST<br>(\$000s) |
|--|-------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|------------------------------|------------------------------|
| Annual Investment Program(s)           |                         | -                           | -                           | -                           | -                           | -                            | -                            |
|  |                         |                             |                             |                             |                             |                              |                              |
|  |                         |                             |                             |                             |                             |                              |                              |
| Project(s)                             |                         | 6,958                       | 2,483                       | 2,884                       | 1,800                       | -                            | 14,125                       |
| 419810                                 | Cemetery<br>Development | 6,958                       | 2,483                       | 2,884                       | 1,800                       | -                            | 14,125                       |
|  |                         |                             |                             |                             |                             |                              |                              |
| Program(s)                             |                         | -                           | -                           | -                           | -                           | -                            | -                            |
|  |                         |                             |                             |                             |                             |                              |                              |
|  |                         |                             |                             |                             |                             |                              |                              |
| <b>Sub-Total (New Budget Requests)</b> |                         | 6,958                       | 2,483                       | 2,884                       | 1,800                       | -                            | 14,125                       |
| Previously Approved Budget Remaining   |                         | 3,050                       | -                           | -                           | -                           | -                            | 3,050                        |
| <b>Total Capital Investment</b>        |                         | 10,008                      | 2,483                       | 2,884                       | 1,800                       | -                            | 17,175                       |

## Explanation of Capital Budget Requests

### Project(s)

#### Activity 419810: Cemetery Development

New Budget Request of \$14,125 thousand for land acquisition and to complete phase 1 development of South and North Cemeteries including buildings, additional road access, a cistern, wastewater storage.  
Funding from Capital Reserves (\$1,800 thousand) and Pay-As-You-Go (\$12,325 thousand)  
Operating Impact of Capital: None