



Report to Council

Department: Office of the CAO
Division: Legal and Legislative Services
Date: July 20, 2020
Prepared by: Shelley Brown, Deputy Clerk
Report Number: Legal and Legislative Services-2020-02
Subject: Columbarium at Colchester Memorial Cemetery
Number of Pages: 7

Recommendation(s)

That "Legal and Legislative Services 2020-02" entitled "Columbarium at Colchester Memorial Cemetery" prepared by Shelley Brown, Deputy Clerk dated "July 20, 2020" be received, and

That Council approves the transfer of any proceeds received (after the initial unit is fully funded from sales) from the sale of niches to reserve and that once sufficient funding is obtained, that the accumulated reserve amounts be used for the installation of future units, and

That Council approve an initial per unit (1 niche) purchase price of \$1,927.79 (Resident) and a purchase price of \$2,409.79 (Non-Resident) for 2020, and

That Council approve an inurnment rate of \$300.00 per single urn for 2020.

Purpose

The Funeral, Burial and Cremation Services Act, 2002, O. Reg. 30/11 requires that every operator of a cemetery provide a price list of all the supplies and services prior to entering into a contract for the purchase of interment rights and internment of any human remains. This report is seeking approval from Council to amend By-Law 1186, Schedule C, Tariff of Rates to include the sale of interment rights and inurnment for the proposed columbarium.

The Town continually strives to provide superior customer service, grounds maintenance and efficient operations in addition to providing a growing selection of alternative interment and inurnment options. In an effort to respond to the increasing trend in cremations, it is our goal to provide attractive Columbarium units. Currently the Town does not offer this service.

Background and Discussion

Since amalgamation in 1999, the Town of Essex has assumed responsibility for the care and maintenance of thirteen (13) cemeteries. Of these 13 cemeteries, only one, Colchester Memorial is actively able to offer plots/lots for sale. As there are only a limited remaining number of traditional lots left at Colchester Memorial, the addition of Columbarium Units will utilize less space and provide a potential greater overall source of revenue for the Town than just maintaining the current sale of traditional lots.

Current trends suggest that more people are looking for alternatives to traditional burials as lots are increasing in pricing and the availability is declining. The popularity of cremation burials is rapidly becoming the first choice of customers and this has led to a corresponding increase in demand and popularity of Columbarium units. A Columbarium is a place for the final and respectful storage of cinerary urns (contained cremated remains). The individual cinerary urns are housed in separate niches within the overall Columbarium Units (See Figure 1 and Figure 2 for model examples of a Columbarium unit).

In order to be constructed the columbarium unit must be placed on a concrete pad. The area required to install the concrete pad is approximately 30'x30'. In theory this would mean the loss of space for approximately 30 traditional lots. However by installing one (1) 72-unit columbarium in its place the overall number of "lots" (referred to as a niche) for sale will increase by 42 spaces. This additional 42 spaces equates to a potential net increase in revenue of \$45,876.96 (assuming the same purchase price) compared to the sale of 30 traditional lots. Traditionally the operation and maintenance of the Town cemeteries has operated at a deficit. Since 2009 traditional lot sales have decreased from 44 to 14 in 2019. The installation and sale of these units will help to mitigate the deficit and promote increased sales.

The Town has received official approval from the Bereavement Authority of Ontario (BAO) for the installation of the first unit. The unit has been ordered with the installation date scheduled within the next couple months. Before the Town can start selling the units, the Cemetery By-Law needs to be amended and approved by the Bereavement Authority of Ontario (BAO) to ensure compliance with application regulations.

Financial Impact

The installation cost for one (1) 72-unit columbarium along with the foundation will be approximately \$34,100 (including non-refundable HST). As per the approved 2020 Capital Budget, the installation will be financed from the Contingency Reserve with revenue from the sales used to pay back the debt over a term of 5 years at the current rate of interest. Once the debt is paid, any additional proceeds from unit sales will be transferred to reserve for the installation of future units. Once all units have been constructed (similar to figure 3), remaining funds will be used to offset the increasing cost of operating and maintaining the Town's cemeteries.

The proponent contracted to supply and install the Columbarium is CFC Supply and they have recommended that the industry standard for pricing for individual units is usually set at 4 to 5 times the cost of installation.

Accordingly, at an installation price of \$34,100, the following is the recommended:

Purchase price for the sale of individual niche(s):

- \$1,927.79 for Residents
- \$2,409.73 for Non-Residents

Purchase price for the inurnment of one (1) regular urn:

- \$300.00 (based on average price comparator below)

The summary below is a review of municipalities and private cemeteries outlining average pricing including Care and Maintenance. The costs associated with a traditional burial are provided for comparison purposes. Units would be purchased on a first-come basis.

Traditional (Resident, Summer, Weekday) – Average	
Lot	\$1,636.12
Interment	\$873.77
Headstone*	\$1,626.67
Inscription*	\$405.00
Vault*	\$1,795.00
Total Average Price	\$6,336.55
Columbarium (Resident, Summer, Weekday) - Average (all rows)	
Niche (including Granite Plate)	\$2,132.64
Inurnment	\$268.67
Inscription*	\$261.85
Total Average Price	\$2,823.64

*Service not provided by the Town of Essex. For comparative purposes only.

Based on the total average price above, the proposed total price of \$2,327.79 (\$1,927.79 + \$300.00) is a competitive, affordable option for the residents of the Town.

According to www.thefuneralsite.com funeral costs can range from \$5,000 to \$70,000 for a traditional interment and \$3,000.00 to \$40,000 for cremation.

Consultations

Jeffrey Morrison, Director, Corporate Services/Treasurer

Link to Strategic Priorities

- ☐ Manage, invest and plan for sustainable municipal infrastructure which meets current and future needs of the municipality and its citizens.
- ☐ Create a safe, friendly and inclusive community which encourages healthy, active living for people of all ages and abilities.
- ☒ Provide a fiscal stewardship and value for tax dollars to ensure long-term financial health to the municipality.
- ☐ Manage responsible and viable growth while preserving and enhancing the unique rural and small town character of the community.
- ☒ Improve the experiences of individuals, as both citizens and customers, in their interactions with the Town of Essex.

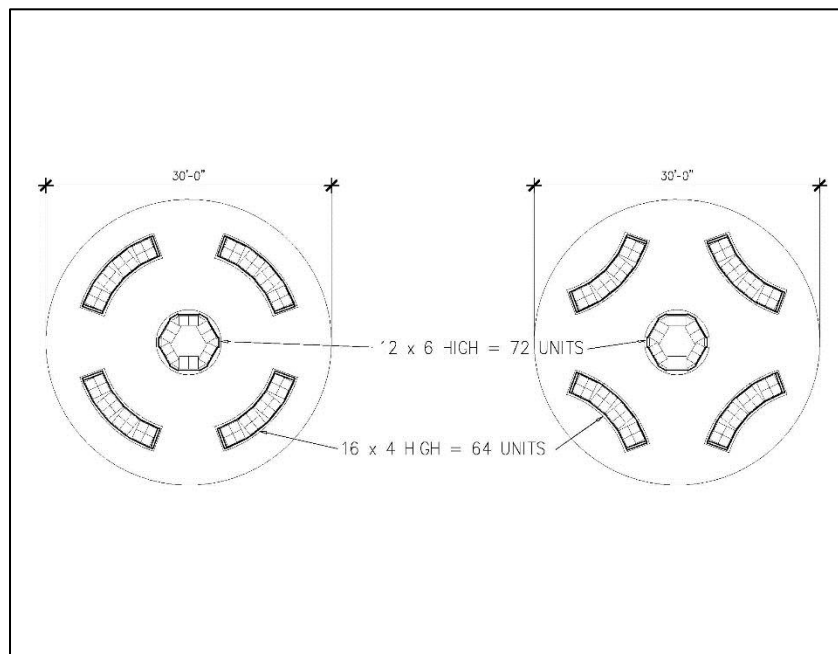
Figure 1: 72-Unit Columbarium with Cement Base



Figure 2: 48-Unit Columbarium unit



Figure 3: Sample Layout



Report Approval Details

Document Title:	Columbarium - Legal and Legislative Services-2020-02.docx
Attachments:	
Final Approval Date:	Jul 14, 2020

This report and all of its attachments were approved and signed as outlined below:



Robert Auger, Town Solicitor, Legal and Legislative Services/Clerk - Jul 14, 2020 - 9:57 AM



Chris Nepszy, Chief Administrative Officer - Jul 14, 2020 - 11:00 AM