




**CITY OF HAMILTON**  
**PUBLIC WORKS DEPARTMENT**  
**Environmental Services Division**

<b>TO:</b>	Chair and Members Public Works Committee
<b>COMMITTEE DATE:</b>	March 22, 2021
<b>SUBJECT/REPORT NO:</b>	Cemeteries Business Plan (PW21015) (City Wide) <b>(Outstanding Business List) (REVISED)</b>
<b>WARD(S) AFFECTED:</b>	City Wide
<b>PREPARED BY:</b>	John Perrotta (905) 546-2424 Ext. 4402
<b>SUBMITTED BY:</b>	Craig Murdoch Director, Environmental Services Division Public Works Department
<b>SIGNATURE:</b>	

**RECOMMENDATIONS**

- (a) That the Environmental Services Division, Parks and Cemeteries Section be permitted to offer the sale of monuments and markers to interment rights holders within its 69 Cemeteries.
- (b) That the matter respecting the City of Hamilton’s Cemeteries Business Plan be identified as completed and removed from the Outstanding Business List.

**EXECUTIVE SUMMARY**

At the November 18, 2019 Public Works Committee, concerns were raised through a delegation made by the Monument Builders of Hamilton (MBH) respecting the City of Hamilton (City) Cemeteries Business Plan, specifically the City’s plan to sell monuments and markers. The delegation’s concerns were referred to the Parks and Cemeteries Section, for consultation with MBH and to report back to the Public Works Committee. Direction was also received to hold off on monument and marker sales by the City until staff could report back.

In 2014, the City’s Parks and Cemeteries Section contracted Cemetery Consultants, Lees and Associates, to review the City’s cemeteries operations and sales and to provide the City with several recommendations where the business can become self-

funding and not dependent on the tax levy, like private cemeteries do. The consultant report recommended the Parks and Cemeteries Section look at additional revenue streams, including memorialization options to contribute to becoming a self-funded

service. The City's cemeteries operate at a loss and are subsidized by the tax levy. At the Council meeting of November 11, 2015 through Report PW15075, Council approved a strategy to change the business and funding structure of cemeteries with the aim of becoming cost neutral, and no longer be subsidized by the tax levy between 2030 and 2035. This strategy included maximizing any and all opportunities to increase revenue.

Presently, tax payers are contributing approximately \$2.5 million per year to offset the costs of maintaining our 69 cemeteries. As per the Funeral, Burial and Cremation Services Act, 2002, (FBCSA) the City is responsible to take over and maintain any cemeteries which are abandoned or not maintained. This places even more pressure on the tax levy, as often there is no trust fund interest by which to maintain the cemeteries. It was determined that the only way to reduce that burden on the tax levy is to increase sales revenue in cemeteries by selling more products and services rather than just burial lots and cremation niches.

The sale of various memorialization products and services, including monuments and markers, are a standard practise in private, commercial and not for profit cemeteries in Ontario. The sale revenues are used to offset annual operational costs and care and maintenance fund deficits.

### **Alternatives for Consideration – See Pages 9**

### **FINANCIAL – STAFFING – LEGAL IMPLICATIONS**

Financial: All revenues generated through the sale of monuments and markers will be used to minimize the impact to the tax levy. The annual sales revenue in 2021 is estimated to be \$215,000. There are additional fees associated with the installation of each monument and marker, regardless of where the memorial is purchased, that will contribute to the care and maintenance fund.

Staffing: N/A

Legal: N/A

### **HISTORICAL BACKGROUND**

In December 2017, following the approval of the Cemeteries Business Plan by Council in November 2015, the City's Parks and Cemeteries Section worked closely with the Procurement Section to issue a Request for Interest (RFI) to various memorial suppliers

in Hamilton and the surrounding area to obtain the best pricing for the memorial products and services to be offered. HGH Granite Inc. received the highest number of points in the evaluation for the supply of granite memorials and had the added benefit that they were also a local company. Hamilton Municipal Cemetery staff attempted to engage in a partnership with HGH Granite Inc. to supply granite markers and monuments. HGH Granite Inc. participated in preliminary discussions with staff on April 20, 2018 to discuss the program they would put in place; however, after this meeting, HGH Granite Inc. stopped communicating with staff with no explanation.

In August 2018, staff were made aware of concerns made by the MBH to the Mayor's office regarding the City beginning to sell monuments and markers. Below is a summary of meetings that have taken place since the City became aware of the concern.

Date	Attendees	Results
August 20, 2018	Mayor Fred Eisenberger, Kara Bunn, John Perrotta, Joanne Warren (City) and members of the MBH	City explained the 2015 cemeteries business plan report approved by Council, with recommendation to look at revenue streams to reduce the tax levy. The City decided not to sell monuments and markers until further discussions are held with the members of the MBH.
September 18, 2018	Kara Bunn, John Perrotta, Joanne Warren (City) and Larry Di Ianni (representative of the MHB)	City staff explained the City's perspective on the importance and reason for the City to offer the sale of monuments and markers. It was agreed that the City and MBH would review options and find a reasonable solution allowing the City Municipal Cemeteries to offer the sale of monuments and markers and not be in a perceived conflict with local memorial dealers.

<p>October 18, 2018</p>	<p>Kara Bunn, John Perrotta, Joanne Warren (City) and Larry Di Ianni (representative of the MHB)</p>	<p>City staff proposed options to find some compromises, ensuring a fair and equal playing field for the City and MBH.</p> <p>The City proposed:</p> <ul style="list-style-type: none"> <li>• offering the sale of monuments and markers to interment right holders only in one of our 69 cemeteries,</li> <li>• continue to use local memorial dealers for various memorial repairs,</li> <li>• offer the sale of pre-need monuments only, however sell both pre-need and at-need flat markers,</li> <li>• not promoting the sale of monuments and markers to at-need families,</li> <li>• continue to make available the daily burial register for monument dealers to view monthly burials.</li> </ul> <p>The MBH proposed:</p> <ul style="list-style-type: none"> <li>• the City allow the local memorial dealers to excavate and pour concrete foundations for the installation of monuments,</li> <li>• the City revise cemetery by-laws to only permit two interments per lot, opposed to the current four interments per lot.</li> </ul>
<p>January 15, 2019</p>	<p>Kara Bunn, John Perrotta (City) and Larry Di Ianni (representative of the MHB)</p>	<p>Mr. Larry Di Ianni advised that all items in the proposal offered by the City Cemetery staff were declined by the MBH. The City was not able to agree to the proposed MBH item 1 due to provincial legislation that states the excavation and pouring of concrete foundations is to be completed at 100% cost recovery, and therefore, would not provide the memorial dealers an opportunity to generate revenue. Proposed item 2 was declined due to industry best practise of allowing 4 burials per lot.</p>
<p>November 18, 2019</p>	<p>Public Works Committee</p>	<p>Delegation by the MBH was referred to the Parks and Cemeteries section for consultations with the group and report back to the Public Works Committee</p>

On January 16<sup>th</sup>, 2020, staff from the Parks and Cemeteries Section met with the Monument Builders of Hamilton to hold a consultation meeting regarding their

delegation. A summary of the meeting is outlined in Appendix “A” attached to Report (PW21015).

### **POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS**

The recommendation is compliant with Provincial legislation, the Funeral, Burial, and Cremation Services Act (2002), which permits a cemetery operator to sell memorials.

### **RELEVANT CONSULTATION**

The following group has been consulted and is supportive of the recommendation:

Finance and Corporate Services Department, Financial Planning Administration & Policy Division, Finance and Administration Section

### **ANALYSIS AND RATIONALE FOR RECOMMENDATION**

The City’s Cemetery Administration office has received feedback from families that some would welcome the option to purchase memorials from the City for one-stop-shopping convenience. The Administration Office typically gets 10 - 20 requests per month for this service. This is comprised of a mix of families requesting at the time of planning for an at-need (immediate need) burial and families requesting at the time they are deciding their future resting place (future need). Families often comment that they would like to buy the marker or monument from the City while they are at the Cemetery Administration Office, thus making their experience more convenient especially during the stressful time of losing a loved one.

Typically, the funeral home is the first stop for a family that has unexpectedly lost a loved one and often monuments and markers are purchased there. Cemetery staff do not see the City as having the potential to capture a large market share and the Parks and Cemeteries Section would use these sales as one of many options required to offset costs to the tax payers who are responsible for the operational costs of 69 City owned cemeteries.

The City’s current market share is zero; outside memorial dealers are submitting approximately 575 - 600 monument and marker permit applications per year to the cemetery administration office to obtain approval for installation at one of the cemeteries owned and operated by the City. A five-year trend (2015 – 2020) shows the Hamilton monument builders capture an average of 78% of the market share in City operated cemeteries, and 22% is captured by funeral homes, memorial retailers outside the City and online retailers. See Table 1 below.

Table 1: 5-year trend (2015 – 2020) – Hamilton memorial dealers market share\*

Hamilton Memorial Dealer	2015 % of total	2016 % of total	2017 % of total	2018 % of total	2019 % of total	2020 % of total	Average of 5-year trend
Mountain Memorials	14.31%	14.94%	16.63%	13.45%	12.50%	12.80%	14.11%
Sharp Monuments	14.31%	18.39%	17.78%	13.67%	15.48%	16.50%	16.02%
Hardwick & Sons	14.84%	13.60%	14.72%	13.23%	10.71%	11.20%	13.05%
Woodland Memorials	24.38%	15.90%	16.06%	20.39%	18.25%	18.60%	18.93%
Hamilton Memorials	9.36%	9.39%	8.99%	8.68%	8.73%	6.40%	8.59%
Rice Monument	6.71%	6.13%	7.27%	7.81%	9.72%	7.90%	7.59%
Total Market Share	83.92%	78.35%	81.45%	77.22%	75.40%	73.40%	78.29%
Outside Memorial Dealers Market Share	16.08%	21.65%	18.55%	22.78%	24.60%	26.60%	21.71%

\*Based on memorial permit applications submitted to the administration office from 2015 to 2020

Staff anticipate capturing up to 20% of the market. This is equivalent to 100 -120 monuments and markers per year. This would leave 80% to the competing memorial dealers inside and outside Hamilton. It is important to note that the City's Cemeteries will only offer the sale of monuments and markers to interment rights holders in any of our 69 Cemeteries and will not offer this service for commercial, Catholic and not for profit cemeteries in Hamilton. Local memorial dealers can offer their services to all Cemeteries in Hamilton and the surrounding areas.

Under Provincial legislation, the Funeral, Burial and Cremation Services Act, 2002, FBCSA, permits any cemetery operator to offer the sale of monuments and markers. Other municipalities of comparable size, and private cemeteries in Hamilton and surrounding areas are offering the sale of monuments and markers to offset operational costs and provide a better customer experience to their residents. See Table 2 below. When the City of Oshawa began selling monuments and markers, no known monument retailers closed as a result of the competition. Oshawa Monument has remained in business with over

50 years of service, and Stafford Monument with over 70 years of service to the community.

Table 2: Benchmarking Municipality and Local Cemeteries Products and Services

Municipality	Products and Services Offered
City of Oshawa	Granite Monuments, Markers and Bronze Memorials
Town of Oakville	Bronze Memorials
City of Waterloo	Bronze Memorials
City of Brampton	Granite Markers
City of Edmonton	Granite Monuments, Markers and Bronze Memorials
City of Calgary	Granite Monuments, Markers and Bronze Memorials
City of Niagara Falls City of Burlington City of Brantford Brant County City of St. Catharines City of Kitchener	Do not currently offer the sale of monuments and markers
Local Private Cemeteries	Products and Services Offered
The Catholic Cemeteries of the Diocese of Hamilton – Resurrection Cemetery, Our Lady of the Angels Cemetery, St. Augustine Cemetery, St. Thomas Cemetery, Gate of Heaven Cemetery, Holy Sepulchre Cemetery	Granite Monuments, Markers and Bronze Memorials
Arbor Memorial – White Chapel Cemetery, Chapel Hill Cemetery, Burlington Memorial Gardens	Granite Monuments and Bronze Memorials
Bayview Cemetery	Granite Monuments, Markers and Bronze Memorials

The Bereavement Authority of Ontario (BAO) administers provisions of the FBCSA on behalf of the Ministry of Government and Consumer Services as part of Consumer Protection Ontario. They are responsible for the protection of the public interest and consumer protection. Unlike the members of the Monument Builders of Hamilton, the City is a licensed cemetery operator under the Bereavement Authority of Ontario (BAO) with the ability to sell cemetery products and services. This provides an extra level of accountability to our residents and the families we serve.

The City's Cemeteries are committed to remaining competitive and offering a fair market value price for all memorials purchased through the cemetery's administration office. The price set out in the 2020 user fees is competitive, and at times less expensive than surrounding cemeteries that offer the same service. The memorial fees are part of the 2020 Council approved user fees and will be charged in accordance with the use fee bylaw. See table 3.

Table 3: Benchmarking Memorial Retail Costs – Hamilton and surrounding area

Municipality or Cemetery Organization	Markers (various sizes and colours)	Monuments (various size and colours)
City of Hamilton (Based on 2020 User Fees)	Starting from \$535.00 (Granite)	Starting from \$2,820.00 includes inscription
The Catholic Cemeteries Diocese of Hamilton	Starting from \$450.00 (Granite)	Custom – as quoted
Arbour Memorial	Starting from \$1,040.00 (Bronze Memorials Only)	\$1,360.00 - \$4270.00 Inscription is charged separately
Town of Oakville	Starting from \$1,026.00 (Bronze Memorials Only)	Not Applicable
City of Waterloo	Starting from \$840.00 (Bronze Memorials Only)	Not Applicable
City of Oshawa	Starting from \$780.00 (Granite)	Custom – as quoted
Mount Pleasant Group of Cemeteries (GTA)	Starting from \$645.00 (Granite)	Starting from \$2,285.00

As part of the Lees and Associates recommendation in 2014, the Parks & Cemeteries Section increased fees 15% in 2016 for the purchase of interment rights, supplies and services, followed by an annual increase based on inflation or review of the competitive market. This was completed to bring pricing to a more competitive level with surrounding cemeteries. Currently, the cost of a burial lot is competitive when compared to surrounding cemeteries and municipalities as outlined in Appendix "B" attached to Report (PW21015). Given this, the opportunities to increase revenue are limited. It is not feasible to increase prices of the City's existing products and services as this would reduce the City's competitiveness in the Hamilton market, which could lead to reduction in revenue.

Various consultations with the MBH and their representative, Mr. Larry Di Ianni have taken place, with the City proposing several options to find a compromise with the group; however, the proposed options have been declined by the MBH.



**ALTERNATIVES FOR CONSIDERATION**

Do not sell granite monuments and markers; however, charge a memorial permit application fee.

Financial: The increase in revenue of up to \$215,000 annually would not be realized. Some revenue could be reclaimed by charging a fee, in accordance with the current tariff of charges, payable by the memorial product or service provider for the review, approval, or inspection of any inscription, alteration, memorial, monument, marker or any other form of memorialization. It is estimated that the City of Hamilton Cemeteries could see a revenue of approximately \$40,000 annually.

Staffing: N/A

Legal: N/A

**ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN**

**Our People and Performance**

Hamiltonians have a high level of trust and confidence in their municipal government.

**APPENDICES AND SCHEDULES ATTACHED**

Appendix “A” to Report (PW21015) – Summary of Consultation with Monument Builders of Hamilton

Appendix “B” to Report (PW21015) – Product Price Comparison – Hamilton Municipal Cemeteries