

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date: September 14, 2015
	Agenda Item No. 46 Roll Call No. <u>15-1531</u> Communication No. <u>15-485</u> Submitted by: Benjamin R. Page, Park and Recreation Director

AGENDA HEADING:

Approval of amendment of the Schedule of Cemetery Fees.

SYNOPSIS:

Approve adoption of proposed revisions to the Schedule of Cemetery Fees, as is required by Municipal Code Sec. 34-69.

FISCAL IMPACT:

Amount: New fees include annual rate adjustments for cemetery services and non-select spaces as well as introductory rates associated with a new, premium product option, establishment of Saturday day segment prices, and marketing-strategy pricing of popular high demand amenities and locations. It is not possible to accurately predict the overall increase in revenue given the fact that a sale in a newly established area may “un-sell” a lesser priced purchase elsewhere in the cemeteries, clientele may opt for a weekday service rather than paying for a higher priced Saturday service that brings with it a higher labor cost to the City, etc.

Funding Source: Additional revenue will be deposited into Fiscal Year (FY) 2016 Operating Budget, Cemetery, G001 PK200220, page 157.

ADDITIONAL INFORMATION:

On April 8, 2013, by Roll Call No. 13-0614, City Council approved revisions to the Schedule of Cemetery Fees, as is required by Municipal Code Sec. 34-69. The fee changes brought existing pricing up-to-date with the competition and demand in the marketplace, and also established pricing for new cemetery areas, products and services; fees had not been changed since 2008. Differential pricing was introduced to generate additional revenue through sales based on amenities, location, quantity, and demand. Pricing, product, and service options are now assessed on an ongoing basis to make adjustments according to consumer demand, trends, and depletion of inventory in high-sales areas of the cemeteries; purchases are in the same manner driven to lower-sales and demand areas through price stabilization and possibly even reduction. Fees have since been established as new areas in the City’s cemeteries are opened to sales and all fees are being assessed at a minimum on an annual basis to determine where adjustments should be made.

Pricing categories/fees now being recommended for approval are outlined on the attached current price list and address newly-opening cemetery areas, Saturday time parameter pricing and proposed adjustments to the existing fees as a result of the annual review. At its June 3, 2015 meeting, the Citizen Cemetery Advisory Committee (CCAC) voted unanimously to recommend that the Park and

Recreation Board forward these fees to the City Council with a recommendation for adoption. At its August 25, 2015 meeting, the Park and Recreation Board voted to recommend the City Council approve of the amendment of the schedule of cemetery fees.

Details regarding some of the recommendations follow:

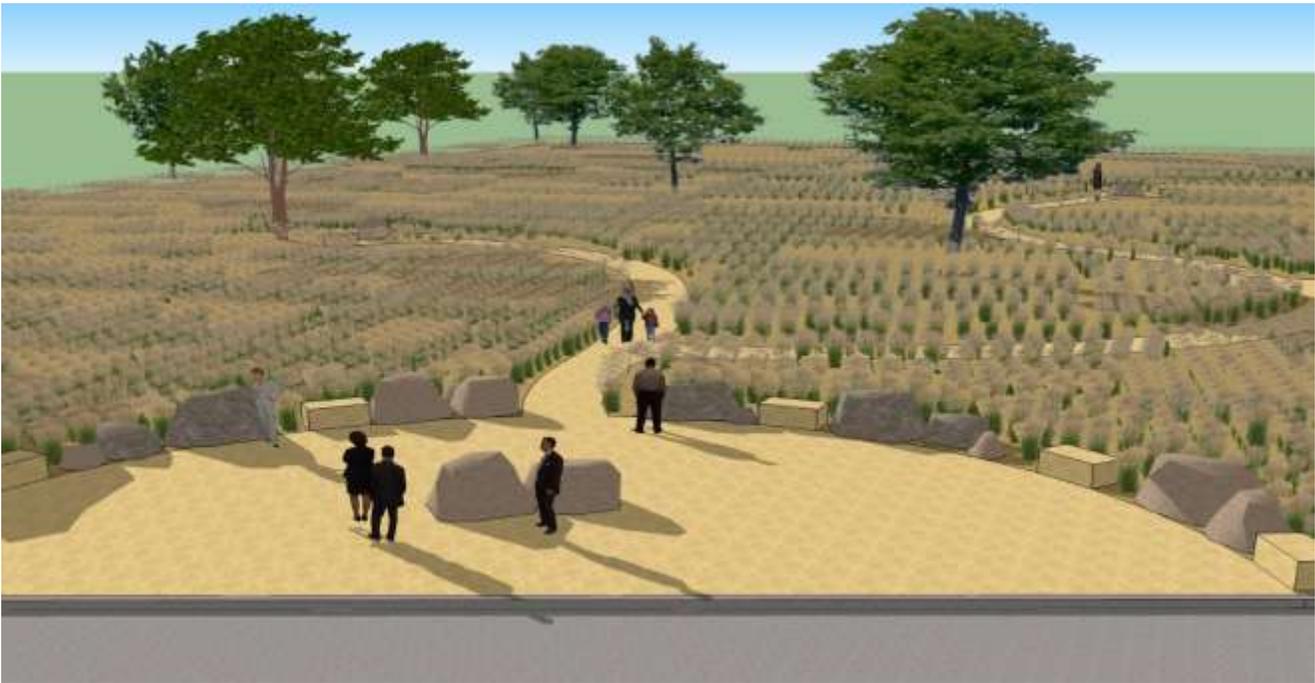
- Newly-opened Elm Grove Cemetery (6501 Indianola Avenue) spaces – Elm Grove has 105 new spaces opened due to removing an old maintenance building and clearing and removing a fence line. These spaces will sell for \$1,300, \$1,375 and \$1,450 based on location. Each space will be four (4) feet by 11 feet and allow an upright monument and planting.
- Glendale Cemetery (4909 University Avenue) Block 37 – Block 37 was originally laid out as three (3) space plots in 2002. Since that time, there has been more demand for two (2) space plots. The remaining unsold plots in Block 37 will be changed to two (2) space plots with each plot measuring eight (8) feet by 11 feet and allowing an upright monument and planting. Larger lots will accommodate larger monuments and cost between \$3,000 and \$3,850.
- Incentive based Saturday day-pricing – Other cemeteries in the area limit the timing of services to Monday-Friday or to completion prior to noon on Saturdays. Des Moines cemetery management believes it is important to continue to offer the option of Saturday services and is encouraged to do so by metro area funeral related businesses; however, this accommodation comes at a higher staff expense to the City's cemeteries. Saturday rates have previously been established but at this time, given the efficiency of changes made to Saturday staffing, management is now recommending pricing categories that are intended to incentivize the public to schedule funeral services on weekdays or Saturday morning/early afternoon timeframes, thereby allowing workers to complete associated work at minimal additional expense to cemetery operations. The level of these Saturday prices and the time-breaks have been both suggested and recommended by the CCAC of the Park and Recreation Board, which has members associated with the funeral service industry.

The introduction of incentive pricing for infant burials is also being recommended. Several years ago the City eliminated opening/closing fees for burials of babies and children up to eight (8) years of age; this is not generally the case for metro area cemeteries. No limitations have been in place regarding the day of the week or time of the day that these free services can take place; however, this free service comes at a higher expense to the City when services take place late on weekdays or on Saturdays. Therefore, staff is recommending the establishment of pricing of \$465 for services held before 1:00 PM on Saturday, with services on Monday – Friday still remaining free.

The recommended incentive pricing for these important categories of customer service will allow the municipal cemeteries to continue to be flexible and at the same time more cost-efficient.

- Glendale Cemetery (4909 University Avenue) Scattering Memorial – Since 2013, scattered interments have increased dramatically. This increase in demand has led to the development of a new scattering area at Glendale using the prairie area established a few

years ago. Work has begun on this unique to Iowa area and will include walkways with benches and (2) large granite boulders for engraving names of the interred. There is a price for scattering including engraving of \$595 and a price for just scattering of \$450.



A 3% (\$30) increase has been recommended for the base-price, weekday grave opening and closing rate; likewise, a 3% (\$30) increase is recommended for the basic cemetery space (flush monument, no planting, chronologically-located). Price changes for other areas/services are recommended based on demand, remaining inventory, price differential as compared to newly-introduced areas, price alignment, etc. It is important to note that the City has a wide range of location options and amenities not generally offered in metro cemeteries. Therefore, the City also has a wide range of pricing specific to location, desired views, and gravesite features such as: allowances for aboveground monuments as compared to flush ones; amenities such as roadways and trees/gardens; allowance of the planting of perennials and annuals; proximity to various features such as entrances, Glendale's pond, and Laurel Hill's vistas; ability of the customer to make a choice of location as compared to not being able to make that choice; newly opened blocks within cemeteries, etc.

Cemetery management is continuing to evaluate the City's municipal cemetery product offerings and services and will be establishing or changing existing fees and establishing new pricing categories on an ongoing basis to stay in alignment with demand and the marketplace and address ever-changing cultural changes that affect this industry.

Staff recommends these fees to be implemented effective the first day of the month following City Council approval, which is at this time anticipated to be September 14, 2015.

PREVIOUS COUNCIL ACTION(S):

Date: September 8, 2014

Roll Call Number: [14-1416](#)

Action: [Amendment](#) to the Schedule of Fees for cemeteries under Chapter 34 of the Municipal Code. ([Council Communication No. 14-433](#)) Moved by Hensley to adopt. Motion Carried 7-0.

Date: December 9, 2013

Roll Call Number: [13-1904](#)

Action: [Amending](#) the Schedule of Fees regarding cemeteries. ([Council Communication No. 13-587](#)) Moved by Hensley to adopt. Motion Carried 7-0.

Date: April 8, 2013

Roll Call Number: [13-0614](#)

Action: [Amended](#) Schedule of Fees for Cemeteries. ([Council Communication No. 13-160](#)) Moved by Hensley to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S):

Board: Park and Recreation Board

Date: August 25, 2015

Resolution Number: 15-056

Action: Recommend City Council approval of amendment of the Schedule of Cemetery Fees for Municipal Code Chapter 34 Cemeteries.

Board: Park and Recreation Board

Date: November 26, 2013

Resolution Number: 13-091

Action: Recommend City Council approval of amendment of the Schedule of Cemetery Fees for Municipal Code Chapter 34 Cemeteries.

Board: Park and Recreation Board

Date: March 26, 2013

Resolution Number: 13-022

Action: Recommend City Council approval of amendment of the Schedule of Cemetery Fees for Municipal Code Chapter 34 Cemeteries.

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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