

DATE OF MEETING NOVEMBER 4, 2024

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SUBJECT CEMETERY FEES AND CHARGES AMENDMENT BYLAW

OVERVIEW

Purpose of Report

To introduce fee increases associated with providing the services associated with cemetery operations.

Recommendation

That Council give first reading to “Fees and Charges Amendment Bylaw 2024, No. 7336.11” (a bylaw to amend the cemetery fees and charges).

That Council give second reading to “Fees and Charges Amendment Bylaw 2024, No. 7336.11”.

That Council give third reading to “Fees and Charges Amendment Bylaw 2024, No. 7336.11”.

BACKGROUND

The City of Nanaimo owns and operates three (3) public cemeteries. These cemeteries provide for interment of Nanaimo residents and create a connection to Nanaimo’s past. The cemetery operations are run out of the Sanitation and Cemeteries Section at Public Works and supported by Revenue Services staff in the Finance Department. This small group of staff undertake between 60 and 70 interments each year the majority of which are cremations.

Each of the three operating cemeteries (Bowen, Townsite/Chinese, Wellington) are licensed by the Province under the Cremation, Interment and *Funeral Services Act*.

As with many services, cemetery operations have not kept pace with rapid growth in Nanaimo. Operational changes and the fees and charges no longer reflect the value of the real estate and the value of the effort from staff. The Cemetery Bylaw was last updated in 2009 and is overdue for review.

DISCUSSION

The City of Nanaimo's current cemetery fees are significantly lower than comparable municipalities by population (see Attachment B). This affordability has made Nanaimo's cemeteries an attractive option for residents and the Ministry, but it has also led to financial challenges in maintaining the facilities and services provided.

The 2024 expenditure budget for cemetery operations is \$287,310 and does not include the cost of Revenue Services staff time estimated at \$19,000 or time spent overseeing operations by the Manager, Sanitation, Recycling & Cemeteries. The 2024 revenue budget is \$87,000 however \$11,000 in fees is budgeted to be transferred to the Cemetery Care Reserve Fund.

The Cemetery Care Reserve Fund is an endowment fund and the City uses the interest earned on the fund for the care and maintenance of the cemetery. To the end of September, the fund earned approximately \$26,600 in interest which has helped fund care and maintenance costs. 2024 budgeted revenue and anticipated interest earnings on the Cemetery Care Reserve Fund will fund approximately 36% of operation costs (including Revenue Services staff time) with the remaining 64% funded by property taxation and other City revenue. Inflation and increased operational expenses, including staff wages and equipment, as well as the rising costs of maintenance and general upkeep have made it difficult to sustain the quality of service.

Given that fees have not increased in over 10 years, staff undertook a survey of 19 municipalities that have cemetery operations to compare fees. Of the 19 surveyed, ten are the comparator municipalities that the City uses for other surveys as they have a similar size and population to Nanaimo. As you will see on the attached chart, Nanaimo currently charges the second lowest rates. Even with the proposed increases for 2025 as outlined in Attachment B, Nanaimo's fees would still be lower than many surrounding municipalities. However, staff felt it would be challenging to increase the fees too drastically in a short period of time. As such, staff have proposed gradual increases over three years so that by 2026, Nanaimo would be at the median of those surveyed, and by 2027, the City will be closer to achieving cost recovery.

Nanaimo residents would continue to be provided with preferential rates over non-residents.

OPTIONS

Option 1:

That Council give first reading to "Fees and Charges Amendment Bylaw 2024, No. 7336.11" (a bylaw to amend the cemetery fees and charges)

That Council give second reading to "Fees and Charges Amendment Bylaw 2024, No. 7336.11"

That Council give third reading to "Fees and Charges Amendment Bylaw 2024, No. 7336.11"

- The advantage to this option is that by increasing the fees, the City can begin to recoup the costs associated with the cemetery operations. Even with the proposed increased, the City is still well below what other similar sized municipalities charge. It is hoped that by 2027, the City will be closer to achieving cost recovery.
- The disadvantage is that there will be an impact associated with increased fees. However, the bylaw will not take effect until January 1, 2025 and the fee increases would be gradual over a 3 year period.

Option 2:

That Council retain the existing fee structure for cemetery operations.

- The disadvantage to this option is that without increasing the fees, the City will continue to substantially subsidize the cemetery operations.

Option 3:

That Council provide alternate direction to staff.

SUMMARY POINTS

- The proposed fees and charges reflect reasonable increases for 2025 and onwards based on current service offerings.

ATTACHMENTS:

Attachment A - Fees and Charges Amendment Bylaw No. 7336.11

Attachment B - Survey of Municipalities Cemetery Fees

Attachment C - Existing Cemetery Fees and Charges

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