

# Report to Council



**Date:** November 28, 2022  
**To:** Council  
**From:** City Manager  
**Subject:** Kelowna Memorial Park Cemetery Bylaw Update  
**Department:** Parks Services

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## **Recommendation:**

THAT Council receives for information, the report from Parks Services, dated November 28, 2022, recommending changes to the Kelowna Memorial Park Cemetery Bylaw No. 11664;

AND THAT Council gives reading consideration to Bylaw No. 12428 being amendment No. 4 to Kelowna Memorial Park Cemetery Bylaw No. 11664.

## **Purpose:**

To amend Kelowna Memorial Park Cemetery Bylaw No. 11664 to update bylaw fee schedule and update definitions.

## **Background:**

Kelowna Memorial Park Cemetery (KMPC) completed a Value for Money Review in 2020 identifying the Cemetery is financially self-sustainable, generating a surplus each year. A Cemetery Business Plan was finalized in 2021. This provided KMPC and City departments a sound financial model of Cemetery operations, and recommendations for the continued success of the Cemetery. Based on this Business Plan, City staff identified small changes that, implemented today will see substantial improvement to the long-term financial health of the Cemetery. This allows the Cemetery to continue to operate and develop without using tax revenue. The majority of municipal cemeteries in Canada do not generate a surplus, and rely on taxation to fund operations.

## **Discussion:**

KMPC strives for continuous improvement, ensuring economic resiliency for the full life cycle of Kelowna's historic cemetery. This means adapting to changes in personal end of life trends to provide memorial care to Kelowna's Citizens. The following updates are proposed to the bylaw to achieve these goals.

## Self-funding

Overall, fees are not increasing in this bylaw amendment. Proposed price changes are to Bronze and fiberglass products, as well as engraving services (which have increased 30 – 40% annually over the past two years). To respond to these changes, these products are proposed at cost plus a handling fee. The fee schedule is also proposed with an updated layout that is easier to for the public to read.

### Personal/Social Trends

A full-sized casket plot can hold two caskets and two cremation interments (four interments). In Canada, cremation is trending over casket burial. KMPC is seeing an increase of families wanting to use casket plots for cremation interments only. The majority of cemeteries in Canada do not allow a casket plot to be solely used for cremated remains. The size of a casket plot is substantially larger than what is required for cremation interments. The goal is that casket plots are being used for caskets, ensuring the Cemetery is using land in a manner that is both financially and environmentally sustainable, and extends the lifecycle of the public facility.

KMPC is proactively working with families who now decide to opt for cremation as their choice of disposition. If a family has the rights to a vacant casket plot, the Cemetery will transfer the right to a cremation plot, with the "at need" interment costs free of charge. For most families this results in an average of \$800 - \$1,300 of expenses at no cost to the family. The end result is mutually beneficial as the land is saved for future casket use, and the family does not incur typical costs for the interment of their loved one in an appropriately sized plot. The available cremation plots allow for either two or six cremation interments so the opportunity for two or more family members to be interred in the same plot still exists. Proposed changes reinforce that casket sized plots are to be used for casket interments before urn/cremation interments take place. If no casket is interred in a casket plot, casket interment fees will apply to a cremation interment.

### Financial Administration

Name changes are proposed to the Cemetery funds.

- **Cemetery Perpetual Care Fund** (previously Maintenance Fund): All cemetery's in Canada are legally obligated to create and contribute revenue to this fund as per the *Cremation, Interment and Funeral Services Act (CIFSA)* and *Consumer Protection BC (CPBC)*. The purpose of this fund is to ensure cemetery's across Canada have enough money to be maintained in perpetuity once they are at capacity, so a cemetery will always remain in good order.
- **Cemetery Strategic Development Fund** (previously Replacement Fund): Created by KMPC as fiscally responsible savings for future development of the Cemetery. This fund has proved to be a success. Design and construction of new developments/products within the Cemetery have been covered by this fund. No borrowing or taxation has been required since its creation.

The proposed name changes are to align with naming conventions in the *CIFSA* and to clearly distinguish between the two funds. The purpose and intended uses of the funds remain unchanged.

### Financial Administration

Future financial forecasting models, along with consultant recommendations, indicate that Cemetery surpluses should be allocated to the two funds in one transaction at fiscal yearend. The Cemetery should also consider allocating more than the minimum required contributions to the Perpetual Care Fund depending on surpluses each fiscal year.

- Current practice allocates revenue daily from every point of sale transaction to the two funds. This results only the minimum required contributions to the Perpetual Care Fund.

As is the current practice, KMPC will continue to meet regulatory minimum contributions to the Cemetery Perpetual Care Fund each year. To realize efficiency, Cemetery surplus is proposed to be allocated to the two funds in one reconciliation transaction at fiscal year-end.

The Cemetery can also transfer additional money (over the required minimums) to the Perpetual Care Fund on an annual basis depending on the surplus that fiscal year. The purpose of this, would be to improve the health of this fund for perpetual care of the Cemetery. The process of allocating revenue in one transaction at year end is in alignment with general accepted accounting principles, which also aligns with other City corporate processes and is supported by Corporate Finance.

**Relevant Council & Corporate Goals:**

Civic Operations Division strategic goals

- Ensure all infrastructure incorporates consideration of customers service, risk, and costs over the full life-cycle.<sup>1</sup>
- Deliver strong financial management.<sup>2</sup>

City Council priorities

- Economic Resiliency: infrastructure deficit is reduced.<sup>3</sup>

City Corporate goals

- Financial Management: non-tax revenues are increasing. Cost to deliver services is quantified.
- Clear Direction: progress on results is measured, monitored, and reported.
- Divisional business plans are created. Innovation is encouraged and supported.
- Services, processes & business activities are transformed.<sup>4</sup>

**Legal/Statutory Authority:**

Cremation, Interment and Funeral Services Act. S.B.C. 2004  
Business Practices and Consumer Protection Act A.B.C. 2004 c.2  
Community Charter S.B.C. 2003

**Internal Circulation:**

Civic Operations Finance & Administration  
Financial Planning Manager  
Infrastructure Finance and Administration Manager  
Infrastructure Operations Department Manager  
Parks Services Manager

**Considerations not applicable to this report:**

Legal/Statutory Procedural Requirements:

Existing Policy:

Financial/Budgetary Considerations:

External Agency/Public Comments:

Communications Comments:

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<sup>1</sup> Divisional Plan: Civic Operations Division Strategic Goals 1 p.5

<sup>2</sup> Divisional Plan: Civic Operations Division Strategic Goals 6 p.5

<sup>3</sup> Council Priorities 2019-2022: Council - Economic resiliency p. 7

<sup>4</sup> Council Priorities 2019-2022: Corporate – Financial Management p. 15

**Submitted by:** Tracey Hillis, Cemetery Manager, Parks Services

**Approved for inclusion:** M. Logan, General Manager, Infrastructure

**Attachments:** Proposed Text Amendments  
Bylaw 11664 'Schedule A – Fees'

cc: Acting Divisional Director, Financial Services  
Divisional Director, Corporate Strategic Services  
Divisional Director, Partnership & Investments