



**Date:** May 4, 2012

**To:** Thomas J. Bonfield, City Manager  
**Through:** Theodore L. Voorhees, Jr., Deputy City Manager  
**From:** Joel V. Reitzer, Jr., General Services Director  
Chris D. Boyer, Assistant General Services Director  
Cedar T. Glasgow, Cemetery Administrator  
**Subject:** Adoption of Proposed Cemetery Rates for FY 2012-2013

### **Executive Summary**

The Cemeteries Division strives to maintain a fee schedule that is designed to help recover the cost associated with services provided at the City's two municipal cemeteries. Periodically analysis is made to determine if current fees are covering cost of service and to align our prices with those of the private sector in our community as well as our peer cities. Additional revenue earned from fee increases will aid in recovering financial loss due to increasing operational expenses. Proposed increases will primarily affect charges to the public for the opening and closing of the grave spaces. No increase is being proposed at this time for fees associated with the purchase of burial space.

### **Recommendation**

The Department of General Services recommends that the City Council adopt an ordinance rewriting the schedule of cemetery charges.

### **Background**

During the FY 2012-2013 budget preparation cycle, Cemeteries Division staff conducted a benchmarking study to compare City of Durham cemetery fees with those of the local private sector and our peer cities. The last increase to our cemetery fees was approved June 21, 2004, following the Managed Competition Pilot Program. At that time revisions resulted in an increase of almost all fees, some nearly doubling in cost. Prior to that an increase took place in 1999 after a full review of the Cemetery Ordinance. The Cemeteries Division is sensitive to the current economic position of our customers; however we are hoping to close the gap in General Fund subsidy by adjusting pricing to a competitive level. Trends and changing economic times necessitate new and innovative ways to operate and manage our cemeteries. As part of our efforts to improve operational efficiency we must occasionally reevaluate our fee schedule to ensure that we are on competitive levels with the surrounding market while maximizing our efforts to be self supportive.

### **Issues and Analysis**

Traditionally the market supports a higher cost for weekend burial services and currently our customers pay \$1,025.00 for Saturday services and \$1,200.00 for Sunday or Holiday Services. During our survey we discovered that our fees are at the midpoint with our peer cities for Saturday and slightly below them for Sunday, however when compared to the local private sector we were slightly below for both days.

During our analysis we also discovered a gap in revenue collected versus cost incurred by the city to provide weekend burial services. This is reflected in our increased cost for weekend labor rates paid to full time employees, as well as an increase in equipment and overall operational costs. We are recommending a fee increase for burial services scheduled on weekends and holidays. Additionally, in the past few years we have identified a slight shift towards Saturday burials versus Sunday services.

The attached benchmarking report provided during FY2012-2013 planning reflects a price comparison study of Durham's fees versus the private sector and peer cities, as well as the average cost per service for weekend burials.

**Alternatives**

An alternative would be to decline the proposed fee schedule and add additional funds to the FY 13 operating budget to cover increased overtime expenses.

**Financial Impact**

Failure to approve the proposed fee schedule will result in the continued inability of the Division to recover the cost of providing weekend burials. It is anticipated that the rate increase could generate an additional \$7,000.00 of revenue. Additional savings will be realized if more services are performed on alternate days (Saturday or Monday) rather than Sundays.

**SDBE Summary**

Not applicable to this item.

**Attachments**

Fee Comparison Study  
Proposed Fee Schedule