MEMORANDUM

TO: Mayor and Council

FROM: Sara L. Hensley, CPRP, Director
Austin Parks and Recreation Department

DATE: May 4, 2012

SUBJECT: Parks and Recreation Board Cemetery Working Group Recommendations

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The Parks and Recreation Department (PARD) continues its efforts toward updating the current agreement between the City of Austin and InterCare Corporation (InterCare), the contractor for the management and oversight of the five (5) municipal cemeteries. In our effort to create an effective cemetery contract and monitoring system addressing issues presented in the June 2010 audit, the Parks and Recreation Board (PARB), created a Cemetery Working Group of three PARB Members to review the draft amended and restated cemetery management and operations agreement, make recommendations regarding specific needs and issues to the PARB and City Council on cemetery operations, and receive public comments regarding cemetery operating practices and standards. The Cemetery Working Group convened five meetings of the Working Group to receive public input and has brought forward recommendations:

- Continue to revise the 2006 Contract to clarify contractual terms and responsibilities for each of the contracting parties
- Review and analyze cemetery contracts from other municipal cemeteries and develop a Request for Proposal that is based on fee-for-services financial model and reflects best practices for both cemetery and tree care
- Create a plan on how we can address long range items: Operating budget, Master Plan and new Request for Proposals including a full time position for a Cemetery General Manager serve in the capacity of guiding services, contracts, engaging in master planning, budgeting, policy creation, and represent the City's interest in managing cemetery facilities and grounds
- Draft a time line with actions steps addressing each Rapid Improvement Opportunities
- Develop a plan and schedule for engaging the public and developing a cemeteries master plan.
- Provide Quarterly Updates to the Parks and Recreation Board
- Work with the Contractor to implement by September 30th, 2013, a computer-based cemetery management information system to keep track of ownership and to maintain contact with owners of plots

The Parks and Recreation Board Recommendations are attached. Should you have any questions, please feel free to contact my office at 974-6717.

Cc: Marc A. Ott, City Manager
Bert Lumbreras, Assistant City Manager
Parks and Recreation Board Members

Parks and Recreation Board (PARB)
Cemetery Working Group Recommendations

Note: these recommendations of the Cemetery Working Group were approved by the Parks and Recreation Board on 24 April 2012, and are recommended to the Parks and Recreation Department staff and the Austin City Council.

Primary Recommendations

1 Finding:
The PARB currently does not have a mechanism for getting updates on the condition of city cemeteries, near term issues, and progress on long range planning.
Recommendation:
Provide a quarterly update to the PARB, to include the type and resolution of cemetery issues that have been addressed during the period, progress on the cemetery master planning process, and any other pertinent information about the cemeteries. PARB members will make periodic site visits to maintain first-hand knowledge of the condition of the Austin cemeteries.

2 Finding:
The 2006 Amended and Restated Contract between the City of Austin and InterCare Corporation introduces additional ambiguities and discrepancies.
Recommendation:
Revise the 2006 Contract to clarify contractual terms and responsibilities for each of the contracting parties, addressing only the operations and maintenance responsibilities and resolving discrepancies while making no changes to the financial terms.

3 Finding:
The City of Austin does not have a vision or a long-term plan for maintenance and operation of the five cemeteries.
Recommendation:
Develop a plan and schedule for engaging the public and developing a cemeteries master plan.

4 Finding:
The financial model defined in the 2006 contract does not meet the goal of having a self-funded program, is not a sustainable or stable model for perpetual care cemeteries, and does not serve the best interests of the city or community.
Recommendation:
Review and analyze cemetery contracts from other municipal cemeteries and develop a Request for Proposal that is based on a fee-for-services financial model and reflects best practices for both cemetery and tree care.

5 Finding:
All of the municipal cemetery records are maintained manually. Inaccurate record keeping of space ownership is an endemic problem in the cemetery business (p32 of October 2010 Business Case Analysis), and use of appropriate technology can improve operational efficiency and increase transparency for the public.
Recommendation:
PARD and the Contractor to implement by September 30, 2013 a computer-based cemetery management information system to keep track of ownership and maintain contact with owners of cemetery plots.

Additional Specific Recommendations for Parks and Recreation Department (PARD)

Following are additional recommended actions to PARD staff to improve the oversight and management of the cemeteries.

Rapid Improvement Opportunities:

- Develop distinct Sales Contracts for payment-in-full and time-sales. Include an annual interest rate for time-sales of spaces beyond a one-year payout. Review the outstanding time-sales contracts and notify any purchasers who have outstanding payments that they need to pay for the space in full or execute a new Sales Contract within a given deadline.
- Create a plan for increased enforcement of the Cemetery Rules and Regulations, to include a date by which spaces must be brought into compliance, notification of space owners, and who will be responsible for spaces where the descendants are unknown or cannot be located. Reformat the Cemetery Rules and Regulations to improve the readability and reduce wasted space. Add a signature block where the purchaser/owner of a space signs to indicate acceptance of the rules and regulations. Send the reformatted Rules and Regulations to each existing space owner with a letter notifying that increased enforcement of the rules and regulations is being implemented and the date by which any violations of the rules must be remedied.
- Update the City website to better market the municipal cemetery services (such as pre-sales, cemetery maps and photos, available spaces, etc.) providing increased service to citizens interested in purchasing cemetery plots as well as allowing the public to monitor the management of the cemeteries on-line.
- Update the Public Cemeteries' Water Plan to reflect forestry best practices, resolve discrepancies, and clarify language. Develop a process for monitoring compliance with the Water Plan.
- Analyze the Perpetual Care Fund and project a model that shows the expected funding that will be available in the Principal and Investment Income Funds to maintain the cemeteries after all existing spaces are sold. Begin depositing the $100/space Cemetery Maintenance Fee into the interest-bearing Principal Perpetual Care Fund.

2006 Contract Amendment (Restatement):

- Review the equipment needed to maintain the Austin cemeteries, compare to equipment lists since 1990, the number of annual burials since then, and the equipment required to maintain other municipal cemeteries, and develop a method to ensure that only the equipment required to maintain and operate Austin cemeteries is being stored at Austin cemeteries.
- Revise the Cemetery On-site Compliance Form to reflect the clarifications of the contract (after it is revised per major recommendation #2) and to assess the cemeteries for compliance with HB 2927, and ensure that all other written processes and forms are updated to reflect the expectations and policies for maintaining the cemeteries.

Long Range: Budget, Cemeteries Master Plan, and/or New RFP:

- Include in the PARD budget for the next budget cycle a full-time position for a Cemetery General Manager that has extensive experience with maintenance and operation of cemeteries and can serve in the capacity of guiding service contracts, engaging in master planning, budgeting, policy creation and generally represent the City's interests in managing the cemetery facilities and grounds now and into the future.
- Create a complete tree care, maintenance and replacement plan that includes detailed performance measures and enforcement for proper tree trimming, watering, mulching, and mitigation of impact from interment activities.
- Explore expanding revenue and providing more choice to the public by providing columbarium space or area dedicated to spreading of cremains to maintain the viability of the City's involvement in the cemetery business.