

Parks and Recreation Board (PARB) Cemetery Working Group Session 3
Monday, February 27, 2012
Northwest Recreation Center
6:00PM – 8:00PM

Gilbert Hernandez – Provided detailed explanations of 5 specific questions received the 2nd Cemetery Workgroup Meeting.

- City of Austin has two Trust and Agency Accounts; Perpetual Care Principal Fund and Perpetual Care Interest Fund
- Principal Fund currently has \$981,217 and the City does not subtract from that fund; however we may add to it on occasion.
- The interest accrued from the Principal Fund is transferred to the Perpetual Care Interest Fund which is used for cemetery operations.
- Revenue Detail - Non Recurring Income shows the years and amounts InterCare would remit payment back to the City.
- Revenue Detail – Investment Income shows the interest received from the Perpetual Care Principal Fund.
- Expense Detail – Services other shows the years and amounts the City would remit payment back to InterCare.
- 2011 City Council approved a \$100 per burial fee. Those fees are placed into the Non Recurring Income account in the Perpetual Care Interest Fund which currently contains \$7,300.
- What does InterCare do to generate revenue?
 - All revenues received (i.e sales of plots, interment services, any miscellaneous income, re-leveling, ect.)
 - Can we have a breakdown of those different revenue streams? Yes. Documentation will be provided.
- Why is the Council approved \$100 per burial fee revenue being accounted toward the perpetual care interest fund rather than the perpetual care principal fund?
 - Principal fund dollars are protected by the State of Texas and therefore are not allowed to be used; The City is only allowed to draw from the interest that is incurred from the principal fund. City Attorneys were approached to answer why the City cannot utilize those funds and responded there is a lot of legal reasons why the City can not. The problem with lumping fees into the Principal Fund is that the City only will

get the interest accrued from that amount; however citizens recommended the \$100 per burial fee revenue go into the principal fund in order to truly be a perpetual fund (long going) and the city would only use the interest for cemetery operations.

- Breakdown of City of Austin and InterCare responsibilities by functional activities (i.e sales, interment/burial, cemetery administration, grounds and monument maintenance, facility repair and maintenance/improvements, customer service, governmental compliance) (Reference page 2 of 10 through 5 of 10)
 - o Broken down further into specific tasks associated with each category and who is responsible for each task. (City or Contractor)
 - o Who created the list? It was generated internally.

- Monuments Maintenance issue – Major CIP projects are the responsibility of the City i.e major tree care, major tree removal and major landscaping, InterCare is responsible for all other groups and monument maintenance. (Reference page 4 of 10)
 - o What happens if a descendent of my family owned a plot and the monument falls and breaks? Who is the new responsible party?
 - If there is an imminent public safety threat the City will measure and lay it down adjacent to the base. A 30 degree horizontal threshold was developed as part of the restatement effort. If the headstone falls beyond that angle the monument will be laid down. If its less than that angle the monument will remain in its place due to property being that of the plot owner.
 - Citizen recommendation – Once a headstone at Austin Memorial Park tilts between 11 - 13 degrees, it's already shifting off of its base. The 30 degree mark is not accurate. Somewhere short of or just past that by estimation the citizen would consider a public health hazard. Would like to see the requirements the City and Contractor used to agree on the 30 degree threshold.
 - It was researched by internal PARD maintenance staff and determined to be a reasonable threshold.

- Monitoring of Tree Health and Minor Tree Trimming –
 - o Citizen concern – When tree trimming occurs, is there a certified tree arborist on site? City Ordinance does require this.
 - No, the contract does not require that. However, we are required to follow city ordinances, the City does not list all ordinances in contracts but the expectation is to comply with all applicable local and state laws.
 - o Citizen concern – Would the city ordinance supersede the contract to have a certified arborist on site?
 - Any major work done is in coordination with the City of Austin Forestry Division.
 - The Contractor does not do major tree pruning.

- Citizen concern – What do you consider minor trimming?
 - Anything 8ft or below.
 - Was the Tree Ordinance something that was passed recently? The requirement to have a certified arborist?
 - No, the protected tree ordinance has been in place since 1975 as well as the requirement to have a certified arborist.
 - Citizen Concern – Major tree removal and major tree maintenance rests with the City, but tree upkeep rests with the contractor?
 - It depends. The current agreement does not do a good job of specific responsibilities between the City and the Contractor. This is the reason for the restated agreement to clarify these responsibilities.
 - InterCare has the responsibility of tree inspection. If there is a danger or any of the trees are determined to be a public safety threat, InterCare will notify the City to take immediate action.
 - Citizen Concern – Watering of Trees?
 - The City has initiated a tree watering plan Summer 2011 in response to the care of trees during drought conditions. Plan is on the Cemeteries Website.
 - Citizen Concern – Who is responsible for watering of trees?
 - InterCare.
 - Citizen Concern – There seems to be a problem structurally. InterCare's responsibility is to water the trees and keep them alive; however it is the responsibility of the City to remove the tree once it dies. The strongest incentive for a contractor to maintain the trees is the cost the contractor would have to incur to remove the tree once it dies.
 - Citizen Concern – Has there been a tree survey?
 - The City has had a tree survey of all the cemetery trees for a number of years. With direction of the Forestry Division, the City has identified which trees during the course of the drought were susceptible and needed to have supplemental water.
 - Citizen Concern – Who identified the trees that needed supplemental watering? The watering was not sufficient and the trees identified were not sufficient.
- How did you come up with the \$225,622 amount for 2012 expenses? What document are you paying expenses under?
- This amount is from the 2006 current agreement.
 - Citizen Concern – What is “Time Sales” (Reference page 6 of 10)
 - The City has a process where citizens can pay for cemetery plots on a time basis. The City allows 12 months to pay off the plot. The City cannot account for the revenue if we don't receive it. So, the City takes a deduction for honoring “time sales”
 - Citizen Concern – Time payment does not have anything to do with the amount we are discussing. Time payment is an issue all by itself.

- Citizen Concern – If those “Time Sales” aren’t paid the following year, will that amount show up next year?
 - It’s a rolling balance. One of the challenges is that the City has a standard 12 month payment term and the City has allowed some buyers to go significantly beyond that term (delinquent accounts).
 - Time Sales shown in Figure 1 represent time sales for previous years in addition to 2010/2011. The City does receive quarterly reports from InterCare to keep track of exact amounts for that activity.
 - Time sales are accounts receivable and some are delinquent accounts. The family is not allowed to use the spaces for burial purposes nor does the family receive a deed for those spaces until they are paid in full.
- Citizen Concern – Given financial challenges of families, how do we handle delinquent accounts? How long do we hold the plot before we release it? The contractor has tried to be very sensitive and work with families who have difficulty paying, but we need to come up with a strategy that will release the plot for sale but still be sensitive to the situation.
 - It seems to be a procedural issue. The City needs to codify, set a standard and a procedure for how long the City will hold the plot before releasing it.
- Citizen Concern – Can we wrap up all the extra headstones that are being stored at Austin Memorial Park because of issues between certain family members. Granite at AMP has been stored for years and years (unclaimed property).
- Subcontractor payments – are paid to subcontractor who handles interment services. Interment Services is owned by Gene Bagwell and they provide other needs associated to burial services.
 - Interment Services fees are set by City Council, Interment Services recovers 80% and the City receives 20%.
 - The 20% goes to into the Gross Operating Revenue stream.
 - \$398,372.00 are 80% of burial services collected by InterCare and paid to Interment Services
- Net Retained Revenue – The amount of revenue left after Interment Services is paid for their work.
- Retained Revenue Estimate – When the contract was executed; it states that every year the City and InterCare will negotiate and agree to a Retained Revenue Estimate. The RRE is the minimum revenue amount InterCare is guaranteed on an annual basis. If InterCare does not collect that RRE for the year, then the City will pay the difference to InterCare, however if InterCare collects more than the RRE, InterCare will pay the different to the City and if the

difference is zero, no payment will be issued. The difference (subsidy) for 2011 was \$214,581.85 plus 3 approved expenses that were reimbursed to InterCare.

- Citizen Concern – Does the 20% revenue to the City show up on the Balance Sheet?
 - No, these are different accounts. The balance sheet shows City accounts and the Reconciliation is InterCare's account.
- Citizen Concern – Where does the 20% revenue go and where does it show up on the Balance Sheet?
 - Perpetual Care Interest Fund – Revenues
- Citizen Concern – Where does the funds that InterCare remits to the city show up?
 - Perpetual Care Interest Fund – Non-Recurring Income
- Citizen Concern - Suggested the City provide a session to discuss calculation of true-up payment.
- Citizen Concern - Why do citizens pay InterCare? Why aren't citizens paying the City and then the City pay the contractor?
 - Most contracts are structured that way. This is the formula that City Council approved. The restated agreement formula is the same.
 - Citizens recommend the City consider the formula used to calculate payment in the restated agreement.

Lynn Osgood – Our goal is to fill the possible solutions column in the Cemetery Issues Matrix. Switch conversation to brainstorm solutions to the issues.

- The working group has 4 opportunities
 - What solutions do we need to implement right now? Short term measures amended to the current contract.
 - What ideas need to be incorporated in the restated agreement?
 - What do we want to include in the master plan process?
 - What do we want to include in the future Request for Proposals?
 - Citizen Concern – PARB has decided to not re-solicit the contract until after Master Planning is complete?
 - No, everything is on the table and no decision has been made; our intention is to get all options on the table. There is no pre-determined outcome at this point.
- How do we address the problems/concerns? Create a straw man and a strategy moving forward depending on how the issue can legally be addressed.
 - Through restatement efforts, re-solicitation, master plan, ect.
 - PARB is only making a recommendation; City Council will make the ultimate decision.
 - Citizen Concern – What topics do we consider to be for the Master Plan and what topics are to be considered for the restated agreement
 - Master Plan should include concerns regarding expansion, 10 year vision, renovation of historic buildings, assessment of all the cemeteries and the condition, proposal of the vision in steps, months, 1st year, 5 years, 10 years ect.
 - Kim McKnight will lead the master planning effort.

(Reference 2012 Municipal Cemetery Issues Matrix)

1.0 Tree Maintenance Goals – Develop funding source for tree program – Citizens generally support.

Citizen Concern - Fees have already been paid for these services by citizens who have brought property and the City does not recognize that.

1.01 Citizens generally support

1.02 Citizens generally support

1.03 Citizen Concern - How is this different from 1.02? PARB received a lot of feedback, PARB wanted to make sure they had everything covered. It was determined that 1.02 and 1.03 were to be combined.

1.04 Citizen Concern - Clarify? When it says watering hours, can you clarify what is to be watered; shrubs, grass trees, ect?

- Trees get preference so if we get to the point where trees are all to be watered, then trees get preference. If there is enough water then shrubs would be next then grass.
- Citizen Concern – Are there currently specific watering hours/restrictions for the cemeteries?
 - There are current watering restrictions implemented by the City of Austin.
- Citizen Concern - There are different watering systems at each of the 5 cemeteries. AMP, Oakwood and Oakwood Annex and Evergreen has the rain burn system, Plummers does not have irrigation.
- Citizen Concern - Cost of watering? Does the City get a special discount? Watering must be an enormous bill.
 - Water is cheaper than removing a tree.
- Citizens generally support.

1.05 Citizens generally support. Some were on the fence and uncomfortable.

1.06 Citizens generally support – Citizens and PARD and InterCare will help to define guidelines.

1.07 Citizens generally support - Only addition is the notion of a permit for forestry.

1.08 Citizen Concern – What does this mean? Clarify?

- Adding to the InterCare contract some additional guidelines instead of the immediate small things, add more to the contract. More responsibilities for InterCare in this area.
- Citizen Concern – Does that include a timeline for expectations for when that happens. For instance, when a tree dies immediately remove it?

- Yes.
- Does the \$175,000 need to be added to the budget. Is that a new expense?
 - No, that's forestry estimate. Yes, this would be a new expense.
- Citizens generally support.

1.09 To be considered in the Cemeteries Master Plan; does not need to be done immediately, the City would need to create a schedule.

1.10 Citizen Concern – Issue with the responsible party. Will the Citizens be partly responsible? Citizens have already paid for these services by being a property owner.

- Citizens would assist in the development of the preventative maintenance and removal schedules, to give us input. Citizens will not be expected to enforce the guidelines.
- Citizens generally support.

1.10 (2) Routine maintenance –

- Citizen Concern – “Volunteer to implement” Volunteer effort has been limited; to put all this on the citizens is very upsetting.
 - These ideas were presented by citizens at the sessions. This was not a PARB or PARB staff recommendation it came from a citizen. It is no one's intention for citizens to do the work.
- Citizens generally support.

1.11 Cover in the Cemeteries Master Plan; Citizens generally support

1.12 Citizen Concern – Could be tricky to implement.

- There are ways to do this with a certified arborist, follow city code.
- Change prohibit in the language to develop and implement guidelines per city code
- The verbiage on the matrix is not the final verbiage that will be used. We will have the opportunity to investigate it further. Just trying to get the process moving.
- Citizens generally support

1.13 Obtain an opinion from City Law Department and investigate issues

- Citizen Concern - The opinion should already be covered in the health and safety code 713.011 Care of Municipal Cemeteries
- Citizens generally support

1.14 Whatever city law would recommend would be implemented.

- Citizens generally support

1.15 Citizens generally support

Carol Lee – 01:35

- Feedback on Public Watering of Trees?

- If the watering were done professionally and executed on schedule, do you think the public should be allowed to go out and water additionally?
- Citizen Concern -The problem with citizens watering is the lack of coordination with each other and watering properly and professionally. Is the City getting the best use out of the water?
 - The restated contract needs to specify how much watering the contractor should do and at what specific time.
 - Under Water restrictions will be hard for InterCare employees on 8:00am – 5:00pm schedule, it will need to be restated in the contract that the contractor would need to provide employees at these times they are allowed to water to turn on these systems during the mandated time.
 - The Citizens will need to go out and water additionally if it will not be in the restated agreement.
 - If the watering is done sufficiently by the contractor then citizens would not feel the need to water additionally.

Citizen Concern - Outdated infrastructure at all cemeteries.

- Compared to privately owned cemeteries the infrastructure needs to be updated.
- The quality of the infrastructure varies between cemeteries.
- Will the irrigations systems in all cemeteries be added to the bond?
- Citizen Concerns – Under current water restrictions, InterCare's employees are allowed to hand water and they are not hand watering.

2.01 Citizen Concern – What does that mean?

- PARD needs to determine how much equipment needs to be stored for all 5 cemeteries, and that amount of storage needs to be added to the restatement contract.
 - Citizen Concern - Why are we storing it anywhere? What cemetery have you seen that has onsite storage? To the equivalent of 65 pieces of equipment in the restated agreement.
 - Citizen Concern - Is there a recommendation for equipment storage?
 - Solution – Once determined how many pieces are needed, add that number to the contract.
 - There are logistically and pragmatic needs for equipment.
 - What if the one piece of equipment broke at the cemetery, how would interment services operate?
 - It would be difficult to find cemetery that does their own interments and not store their own equipment at that cemetery.
 - Citizen Concern - What does storing the equipment offsite do to the cost of operating the cemeteries?
 - If you increase the cost you face an extreme amount of challenge to the cemeteries.
 - Cemeteries that out source their services, the costs of trucking equipment in and out are supported in their operating budget.

- Working group could not agree on consensus for equipment storage.

2.02 through 2.04 – There's a bit a disagreement on these concerns.

3.01 Citizens generally support.

- Contractor to store spoils offsite.

3.02 There's a bit of disagreement on this concern.

4.01 Citizen Concern – Possible solution bundle roads with aqueduct improvements, does that mean we'll be paving the road without supporting the trees? Doesn't support that solution, would rather the money go to trees.

- Aqueduct improvements are specific to Oakwood.
- Can we separate roads and aqueduct improvements?
- If trees are the concern those improvements would be addressed in another budget. CIP is specifically for capital improvement items.
- We need to rank our priorities in regard to funding.
 - Irrigation, aqueduct and roads in that order of priority.
- Irrigation needs outrank the need for additional roads and aqueduct improvements.
- Adding to CIP road and aqueduct improvements.
- A mix of support from citizens on this issue.

4.02 Citizen Concerns – Resurfacing and improving cemetery roads.

4.03 Citizen Concern - Elimination of individual cemetery names in issues matrix. – There are exceptions to the concern i.e aqueduct only exists at Oakwood. Certain infrastructure exists at different cemeteries.

- Large community workshops related to the bond development process the weeks of March 19th and 26th, dates and times and locations still to be determined. That would be an ideal opportunity to speak to any Capital Improvements necessary to the cemeteries.
- Two options – Have another meeting or gather citizens' concerns by email? What is the most sufficient way to get through the material? Citizens agree to hold another meeting.
- Next steps: Consolidate all solutions, cost, and PARD priorities and hold another meeting to present those solutions.
- Plan to spend the entire meeting to complete the matrix and have recommendations for PARB