

City of Northville
CITY COUNCIL SPECIAL MEETING MINUTES
October 2, 2017

Mayor Roth called the special study session to order at 6:20 p.m. in the Northville City Hall Council Chambers, 215 West Main Street, Northville, Michigan.

Present: Mayor Ken Roth, Mayor Pro Tem James Allen, Councilmembers Nancy Darga (arrived 6:27pm), Sam Ekong, and Marilyn Price

Absent: None

Also

Present: City Manager Patrick Sullivan, City Clerk Dianne Massa, Director of Public Works James Gallogly, Finance Director/Treasurer Sandi Wiktorowski, Assistant Public Works Director Chris Porman, and Cemetery Administrator John Lapenta. No citizens were present.

Citizen Comments None

Approval of Agenda

Motion Allen, seconded by Ekong to approve the agenda as presented. **Motion carried unanimously.**

Discussion of Master Plan for Cemetery Expansion

A master plan for cemetery expansion was completed in 2002. Phase 1 was completed in 2003. There are currently 41 regular grave sites available, all of which are individual sites. The City can no longer provide adjoining sites for couples or families. A decision is needed on moving forward with the Phase 2 expansion to continue to sell grave sites. Expanding the cemetery will increase maintenance costs.

The Finance Director and Public Works Director provided City Council with a cemetery expansion analysis. The following was pointed out:

- 54% of the FY2017 grave sales and 71% of the FY2016 grave sales were to non-city residents. 58% of the FY2017 open/close events were for non-city residents.
- Revenue from grave sales is distributed to three funds, with 20% to Public Improvement Funds for future expansion, 40% to the Perpetual Care Fund, and 40% to the General Fund to offset maintenance costs.
- Funds reserved for future cemetery expansion is \$179,137. The trust fund has cash of \$973,677.
- In the remaining undeveloped area in Rural Hill Cemetery, there is room for approximately 3,000 additional grave sites and niches. Assuming lot sales continue to average 44 lots per year, Rural Hill could continue to provide burial services for the next 60 years.
- Phase 2 could add approximately 650 grave sites. Based upon the averages graves sales of 44 per year, that would extend the sales capacity for 15 years.

- The estimated cost of the Phase 2 expansion is \$105,000. \$179,137 has been set aside for this expansion.
- Maintenance and open/close activities require a General Fund subsidy. The combined cemetery operations for FY2018 are expected to have a shortfall of \$59,300.
- If Phase 2 is approved, in 2022 the General Fund subsidy is expected to increase to \$68,000. Costs would continue to rise, but there would be offsetting revenue from sales and open/close events.
- If the cemetery is not expanded, the General Fund subsidy is expected to rise to \$95,000 in 2022, which is the projected cost to maintain both cemeteries without limited offsetting revenues.
- Maintenance costs are for Rural Hill and Oakwood cemeteries.

City Council Comments and Discussion: In response to questions from Council, Staff explained that the current waiting list for grave sites in the Phase 2 section has 20 names, with 18 of those being non-city residents. A majority of grave sales are to non-city residents and City residents are the minority user. This could be explained by the differential in population between the City and Township. Non-city rates help to offset cemetery operation costs. Revenue comes from grave sales and open/close costs. If the cemetery is not expanded, revenues from grave sales will cease.

Council comments noted that if Phase 2 is developed, the City's hands are tied for about 15 years. When Phase 2 is full, City Council will need to make a decision on a Phase 3 expansion. With or without further development, the City still has to pay for cemetery operation and maintenance costs.

Darga arrived to the meeting.

Discussion ensued pertaining to the number of cremains allowed for one standard plot, the physical attributes of the remaining grave sites, considering a lower grave site rate for remaining grave sites in the Phase 1 section of the cemetery, the current grave sales funds distribution formula, and the cost of the Phase 2 expansion and funding of future expansions.

Questions were raised pertaining to Plymouth's cemetery operations. It was explained that Plymouth averages approximately 85 grave sales annually. The cemetery budget covers maintenance and there are not any road paving or large projects planned. 25% of lot sales go into the perpetual care fund. Cemetery bulk leaf pickup is charged to the bulk leaf program in the solid waste fund. Their annual operations budget is approximately \$135,000. The cemetery has about 30 years left of available grave sites. Monument policies were discussed, and whether certain types of monuments were preferred in order to keep maintenance costs lower.

Discussion ensued pertaining to the grave sales distribution, adjusting rates to equal operation costs, and long-term investment of the Perpetual Care Fund. Comments voiced concern with lower sales that might not meet operational costs, and deferring Perpetual Care Fund allocations if the cemetery is operating in a deficit due to lower than expected grave sales. When sales cease, the Perpetual Care Fund needs to have sufficient funds for cemetery maintenance.

Comments from Council generally concurred to:

- Support the Phase 2 expansion provided the General Fund was not subsidizing the cemetery fund. The project would be bid and brought to Council for review and approval.
- Consider reallocating the grave sales fee distribution. Sales revenue should cover 100% of the maintenance cost with no General Fund subsidy. Any remaining funds would be split between the expansion reserve in the Public Improvement Fund and the Perpetual Care Fund.
- Revisit the grave sales allocation if sales revenue is not sufficient to cover maintenance costs and determine how to make up any shortfall in the cemetery fund.

- Consider reducing the cost for existing graves that remain unsold from previous phases once the Phase 2 expansion is complete.
- Explore placing the Perpetual Care Fund in a long-term investment with a higher yield, within the boundaries of the City's investment policy.

Council requested City Staff review the options discussed and return to City Council with a funding recommendation.

Mayor and Council Comments none

Being no further business to come before Council, the meeting was adjourned.

Adjournment: 6:56 p.m.

Respectfully submitted,

Dianne Massa, CMC
City Clerk

Ken Roth
Mayor

Approved as submitted: 11/06/17