

Missoula Cemetery Board Meeting
June 3, 2010
1:30pm
Ruth Bennett Memorial Chapel - Missoula Cemetery

Minutes

Present: Sharee Fraser, Marjorie Jacobs, Carol Gordon, Doug Waters, Ron Regan, Mary Ellen Stubb, Brentt Ramharter

Absent: Pat McHugh, Mary Lou Cordis

1. Approval of board minutes: April 2010 – unanimously approved as submitted.
2. Items involving guests: Brentt Ramharter, Finance Director Re: City of Missoula's credit rating agent regarding cemetery special funds.

Mr. Ramharter is requesting approval from the Cemetery Board of Trustees to change the cemetery's special funds (funds beginning with 2000) to general revenue funds (funds beginning with 1000). This would have no effect on the cemetery but it would be a simple internal accounting change. This change has been suggested by the City's credit rating agent in an attempt to more accurately represent the City's worth. When a City has too many special funds, it is difficult for a credit rating agent to determine who controls the money. Mrs. Fraser stated it is very clear that the money is controlled by the cemetery Board of Trustees as documented in the current municipal ordinance. Mr. Ramharter said the proposal for the cemetery revenue to go into the general fund was for the next two years. All balances in various cemetery funds would still be controlled by the board and designated for cemetery perpetual care in the general fund. This tactic helps show where the city's revenue streams are. He assured the board that the money was not going to be designated away from the cemetery.

The goal is to give a better perspective of the city's position by September. Property assessments are coming into the state right now but disbursements won't be known until September. Less growth this year could mean a fallback in evaluation. The rating agency wants to know what resources we control in all general fund supported departments. The cemetery is not the only department affected by this request.

Mrs. Fraser voiced concern over control of the money and asked Mr. Ramharter if administration could override the board in spending authority for these funds once they move into the general fund. Mr. Ramharter stated the cemetery board would not be overridden. However, administration may have to ask the board to look at programs / services to trim back and may request those funds be used for operating support. He assured the board that administration would not tell them how to run their programs but with money constraints, administration may request assistance in paying for those programs through these perpetual funds.

Mr. Waters explained his understanding of this request was that by moving this money into the general fund it was like giving the city collateral in the world of finance. Mr. Ramharter expressed praise to the board and staff saying the cemetery was outstanding in what they have accomplished within their budget. He said there was huge public support and the cemetery is greatly used. These decisions were being made in direct relation to a time of declining revenues. He anticipates this to extend for three years of holdbacks, hiring freezes, and budget constraints.

Mrs. Cordis asked if the cemetery was the only board put in the situation of controlling money within the general fund. She voiced concern that administration would take the money or force the cemetery to use for expenses. Mr. Ramharter clarified that administration would not tell the board how to manage

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the money in these funds. However, if more issues occur where the city is short on funds, administration may come ask the board to offset the cemetery's operating costs by using the perpetual funds. Mrs. Cordis asked if any other department was in a situation where this concept was in direct conflict of the current ordinance. Mr. Ramharter said he did not know the answer to that. He was just beginning to meet with departments to discuss options.

Mrs. Fraser stated the cemetery board has already agreed to give the city revenue instead of taking money from the care fund. Wouldn't that offset asking for more money? Mr. Ramharter said he hopes it does. The cemetery has given a pretty significant contribution this year. He does not know administration's stance on this but he is appreciative of this decision.

Mrs. Gordon asked how the city was rated. Mr. Ramharter said a rating agency reviews a combination of areas from economy of the community to cash and debt comparisons. Currently, the city maintains a AA- rating out of a possible AAA which is better than most corporations. Mrs. Cordis asked why this year? Mr. Ramharter explained the financial meltdown has now weakened the city. Mrs. Jacobs asked if the final decision to change fund allocations was a choice up to the board to decide. Mr. Ramharter said that quite honestly he was punting here by asking for the board's cooperation. He could not force the board to agree to this proposal but if they didn't, he anticipated that the CAO or Mayor would come to ask the board for their cooperation.

Mr. Regan wanted to be sure he understood what Mr. Ramharter was asking: 1) the board needs to approve the different account numbers, 2) the board would still be in control of the money in those funds, 3) there were no changes except the account number, and 4) the board and cemetery wouldn't be losing anything. Mr. Ramharter confirmed this and said it all had to do with how the cemetery was reported financially. The funds would keep their balance and continue to accrue interest. This move helps the city look financially stronger by putting all money in one spot. Mr. Regan said if the city goes broke the cemetery ordinance won't mean anything. Mr. Ramharter said the board would still be in charge of the money in those funds. This is a problem that the cemetery department can help the city solve.

Mr. Waters is hopeful that the mayor, administration, and council are appreciative of the work the board did in creating these funds which really help the city look financially better right now. Mr. Ramharter said administration has no intention of running this operation as it is run very well. If there are future financial issues, the board will be consulted to ask for their assistance in solving the issue. This account move is a reporting thing that allows the city to look better to reporting agencies. The stronger the city can present itself, the lower the cost of doing business. Mr. Waters asked when a decision from the board was needed as some members were missing from today's meeting and would need to be consulted. Mr. Ramharter said it could be done retroactively but early summer would be best.

3. Public comment: None.

4. Financials:

a. Revenues: April - May 2010 – Note: backhoe cost will be reduced from care fund, as agreed by board, once ordinance is changed.

b. Expenditures: April - May 2010

5. Motions needed. (*Full board attendance is needed*)

6. New or Continuing Items for Discussion:

- a. FY11 Budget/Revenue /Reserve Fund Ordinances – Mr. Waters handed out the proposed wording changes to the revenue portion of the current city ordinance. He asked the board to word smith the proposal. He had written this prior to Mr. Ramharter’s appeal today and was not sure how that might affect his document. The board will review it.
- b. New Family Cremation Site – Mr. Regan and maintenance staff created a new family cremation burial site. Mrs. Stubb created a flyer with the new area information on one side and general cemetery information on the other. A second flyer was created showing price comparisons of other cemeteries. The board was asked which flyer they would prefer. Mr. Waters pointed out the comparison flyer would allow the public to see the fee differences but the difference in those fees was not great. If the board wants the flyer with the price comparison, final review would be needed by the mayor and administration. Mrs. Fraser prefers the flyer without the price comparison. Mr. Regan praised Mrs. Stubb for her design and layout of the flyer. Mrs. Jacobs said there was no question the cemetery should not use the price comparison. She said any change to other cemeteries’ fee structure would prove the information wrong. Mr. Waters said the city attorney agreed with that concern also. MOTION: Mrs. Gordon moved the cemetery advertise using only cemetery information on a tan flyer as presented. Mrs. Cordis seconded. Agreed unanimously.
- c. 2009 Legislature/Special Districts/Cemetery – Mr. Waters asked the board to think about the cemetery request for a special district. The board would have to create the request. The proposal would require public notice detailing the fee structure. This would be mailed to everyone in the city limits. The cost for one mailing is \$25,000 but the cemetery could combine efforts with other departments also preparing for maintenance districts. Mrs. Fraser believes this is a good way to go. Mr. Waters said he would put together a proposal for the board to sign and then send to administration. He also asked the board to consider future options for revenue. Mrs. Jacobs said she believes all maintenance district proposals will get voted down until things change. While the economy is floundering people are not going to be pleased with increased taxes. Mr. Waters pointed out the cemetery needs to look at all different options for revenue. MOTION: Mrs. Fraser moved a letter be sent to council and administration concerning a proposal for a maintenance district to support the cemetery. Mrs. Cordis seconded. Approved unanimously.
- d. Cemetery Fee Schedule – Mrs. Stubb compiled a fee structure comparison of Missoula, Bozeman, Billings, and Great Falls cemeteries. Mr. Bender wants the cemetery fees increased. Where does the board see possible increases? Mr. Waters and Mr. Regan would like to have the Saturday overtime fees changed from morning and afternoon rates to one flat rate. Mr. Waters told the board that Missoula Cemetery was in the ballpark for fees but he board should give thought to the prices.

7. Informational Items (*These items require NO immediate board action but are strictly informational item*)

- a. Article on "Loser Card" for American Magazine on Cemeteries – Mrs. Stubb has written an article for American Cemetery Magazine on the “Loser Card Letter” which received much attention last fall. Mr. Waters was really excited about the article and praised Mrs. Stubb for her hard work on this article. No publication date is known at this time.

8. Adjournment. Next meeting: July – cancel. Meet next on August 5, 2010.

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