

Missoula City Cemetery Strategic Plan



Missoula, Montana

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GROUP

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1. Introduction

Purpose

The purpose of this report is to provide a strategic plan for the short- and medium-term operation of the Missoula City Cemetery, which is not only an important historic resource, but a tremendous community greenspace and active cemetery as well. Our analysis was driven by many factors, but none more than the valuable context that we received from interviews with lot owners, dedicated Cemetery and City Staff, local funeral industry professionals and through meetings with the Cemetery Board. We came away impressed with the Cemetery operation and the important role the Cemetery plays in the community. With many cemeteries currently at an inflection point, it is our hope that this review will provide actionable steps to ensure the Missoula City Cemetery remains relevant and sustainable for generations to come.

Headwinds

The cemetery industry across the United States is facing significant headwinds. From for-profit cemetery companies to religiously affiliated cemeteries to municipal cemeteries, all must contend with a marketplace that has fundamentally changed over the past 50 years. In 1970 the cremation rate in the United States was under 5%, in 2019 it was almost 55%. This trend is further magnified in the state of Montana which has the fifth highest cremation rate in the country at over 75%.

Top 10 ranked by percent of cremations		
State	% Cremations	Cremations (Rank)
Nevada	79.8%	20,411 (25)
Washington	78.0%	44,439 (10)
Oregon	77.6%	28,115 (21)
Maine	76.9%	11,305 (35)
Montana	75.8%	7,567 (42)
New Hampshire	75.1%	9,395 (36)
Hawaii	73.6%	8,507 (40)
Colorado	72.2%	28,246 (20)
Vermont	71.7%	4,144 (46)
Wyoming	70.9%	3,594 (47)

(Cremation Association of North America)

While cemeteries can still be important for those who choose cremation, the National Funeral Directors Association estimates that only 37% of people who select cremation elect to utilize a cemetery. In a state like Montana where less than 25% of people are selecting casket burial, that means almost 50% of the community is currently not considering a cemetery as a key step in the end of life process. These trends fundamentally alter the role of the Missoula City Cemetery.

There are also less obvious headwinds that have made it more difficult for cemeteries to operate in the manner they have historically. The rise in mobility, both in retirement and for younger generations has made the 'family plot' a less relevant concept in contemporary society. The fractured family has only

further diluted and complicated this concept. Increased longevity and extended illnesses have altered the bereavement process for many families, and increasingly funerals are seen as less significant to family members.

All of these headwinds must be considered as the community in Missoula envisions what their Cemetery can mean for future generations. While it is not practical to expect the Cemetery to remain and operate as it has for the first >100 years of its existence, the Cemetery needs to leverage its role as a community institution and strive to become and stay relevant to the community in a variety of ways.

In this report L.F. Sloane Consulting Group will lay out our recommendations to safeguard this incredible treasure and to make wise investments in its future. We will analyze the current conditions and make immediate term recommendation as well as making the case for divesting surplus land and looking for opportunities to widely use the proceeds from this action to benefit the Cemetery. Finally, we will look at how to expand the relevancy of the Cemetery through marketing, community engagement and Cemetery products.

As a firm that has consulted for cemeteries for over 39 years and actively manages nine historic cemeteries, we make each of our recommendations with an eye towards implementation, but more importantly to sustainable operations. We found the team at the City Cemetery to be very impassioned and well-equipped to help the site transition. The Cemetery staff, applicable city management, and the Cemetery Board of Trustees were all engaged in at each step within this process. While we recognize there will be differences of opinion within and amongst those stakeholders, we believe strongly that the following recommendations lay out the best course of action for the Cemetery.

2. Market Analysis

Demographics

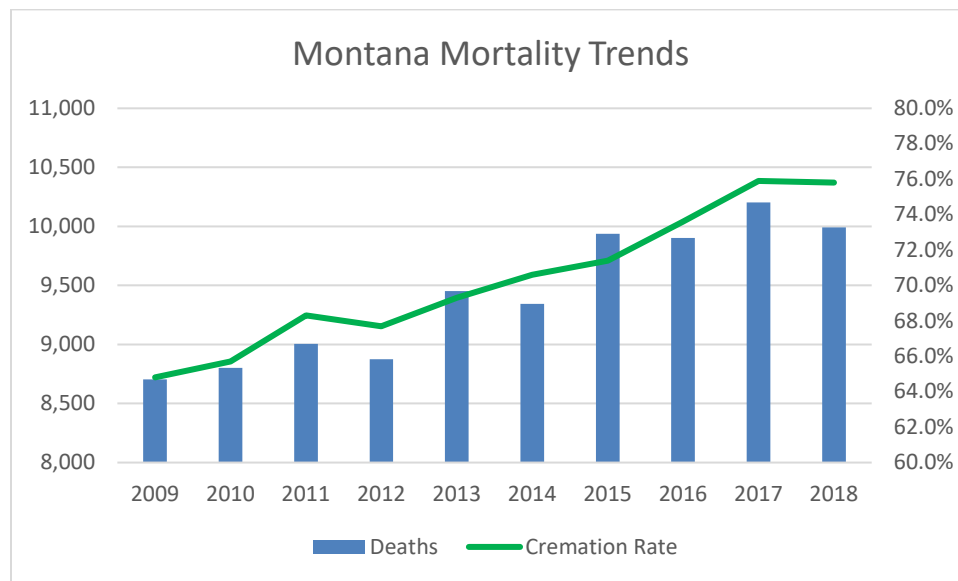
Missoula County and the City of Missoula have experienced significant population growth over the last ten years, far outpacing the average in either the State of Montana or the United States as a whole. The population within the City of Missoula has a median age of 32.7 years, which is almost six years younger than the United States overall and only 12.5% of the population is over 65 years of age. The community is fairly homogenous and there are not large populations of ethnic groups that would characteristically elect to include a cemetery within the end of life planning at high rates.

	City of Missoula	Missoula County	Montana	United States
2019 Population	75,516	119,600	1,068,778	328,239,523
2010 Population	67,358	109,296	989,407	308,758,105
Growth	12.1%	9.4%	8.0%	6.3%
Population 65+	12.50%	16.20%	19.30%	16.50%
White	88.60%	89.10%	85.90%	60.10%
Hispanic or Latino	3.40%	3.40%	4.10%	18.50%
Black	0.60%	0.50%	0.60%	13.40%
Asian	1.90%	1.80%	0.90%	5.90%

(QuickFacts, U.S. Census Bureau)

Mortality and Disposition Analysis

As the population of Montana has increased so have the number of deaths since 2009. From the Cemetery's perspective, this rise has been offset by the continued growth of the cremation rate throughout the state. The chart below illustrates this rise, which also can be seen in Missoula County where in 2009 there were 750 deaths, increasing to 891 deaths in 2018.



(Montana Department of Public Health and Human Services)

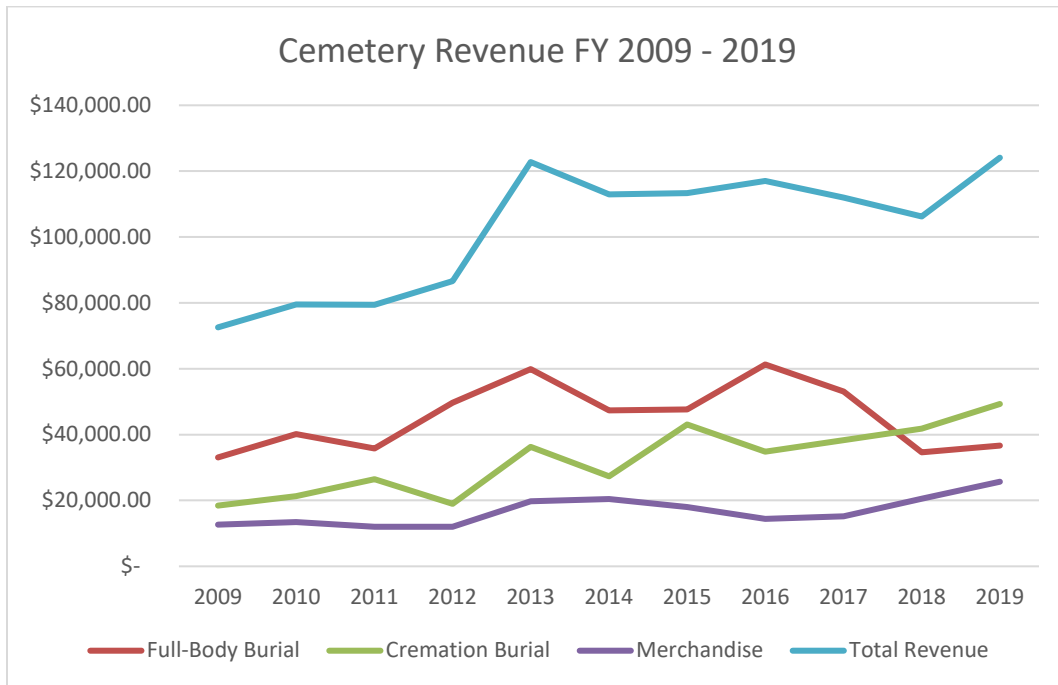
In analyzing those 891 deaths, we estimated that 75% of those occurred within the extended service area of the Cemetery. Utilizing the statewide cremation rate, it is possible that as many as 507 cremations occurred in this area in 2018, yet the Cemetery only interred 28 cremated remains. This discrepancy also exists when looking at full-body burials; by the same measure, the Cemetery performed only 13 burials out of a potential 162 interments.

	Service Area Estimated		City Cemetery Actual	
	Cremations	Burials	Cremations	Burials
2009	365	198	33	26
2010	371	193	30	28
2011	409	190	47	27
2012	384	183	45	25
2013	427	189	34	35
2014	444	185	34	22
2015	472	189	32	23
2016	516	185	29	26
2017	518	164	43	20
2018	507	162	28	13

Over the past ten years the Cemetery has captured roughly 8% of the cremation market and 13% of those who select full-body burial. There are many factors that contribute to this low rate, including the competitive marketplace which features both a strong state veteran cemetery and a catholic cemetery, which each capture specific market segments. There is also a for-profit cemetery with a co-located funeral home which competes for a share of the market. Additionally, in a state like Montana there are many final resting places which are desirable for those who select cremation; from scattering remains on a mountain or in a favorite river to simply keeping those remains in the family home, the cremation market offers many options outside the cemetery grounds.

3. Financial Overview

Over the past 11 years the Cemetery's revenue has increased by over 70%. This is a very encouraging trend and a testament to the day-to-day management of the Cemetery by the staff and the long-term strategy of the Board. As can be seen in the graph below, the rise in revenue can primarily be attributed to additional cremation and merchandise sales (principally memorial fees and floral sales). This is in keeping with expectations as the marketplace is increasingly selecting cremation. Providing varied options for this growing market segment is key to the Cemetery's long-term viability.



The challenge for the Cemetery is that while revenues have increased over the past 11 years, they have fallen far short of expenses. In fiscal years 2018 and 2019 the Cemetery's average revenue was \$115,146, while average annual expenses were \$620,785. This is a shortfall of more than \$500,000 that is paid by the taxpayers.

	2018	2019
Full-Body Burial	\$ 35,100	\$ 37,200
Cremation Burial	\$ 41,850	\$ 49,300
Merchandise	\$ 20,560	\$ 25,693
Additonal Revenue	\$ 8,691	\$ 11,899
Total Revenue	\$ 106,201	\$ 124,092
Personnel	\$ 506,844	\$ 519,329
Supplies	\$ 70,175	\$ 72,861
Services	\$ 27,977	\$ 30,150
Miscellaneous	\$ 5,640	\$ 8,592
Total Expenses	\$ 610,637	\$ 630,933
Total Profit	\$ (504,436)	\$ (506,840)

These operating losses are common amongst municipal cemeteries throughout the United States. While some of this shortfall is by design, as pricing is kept artificially low to provide a public service, maintaining a historic Cemetery is an expensive proposition. Yet the reality is that Cemetery management is not a core competency of most cities. While the Missoula City Cemetery has operated for generations and is an important community institution, it made up 0.37% of the city's budget in fiscal year 2019. In the coming sections we will make recommendations that look to reduce this shortfall in the future, including expense reduction, although the City of Missoula must be prepared to allocate a subsidy to the Cemetery for years to come.

4. Land Analysis

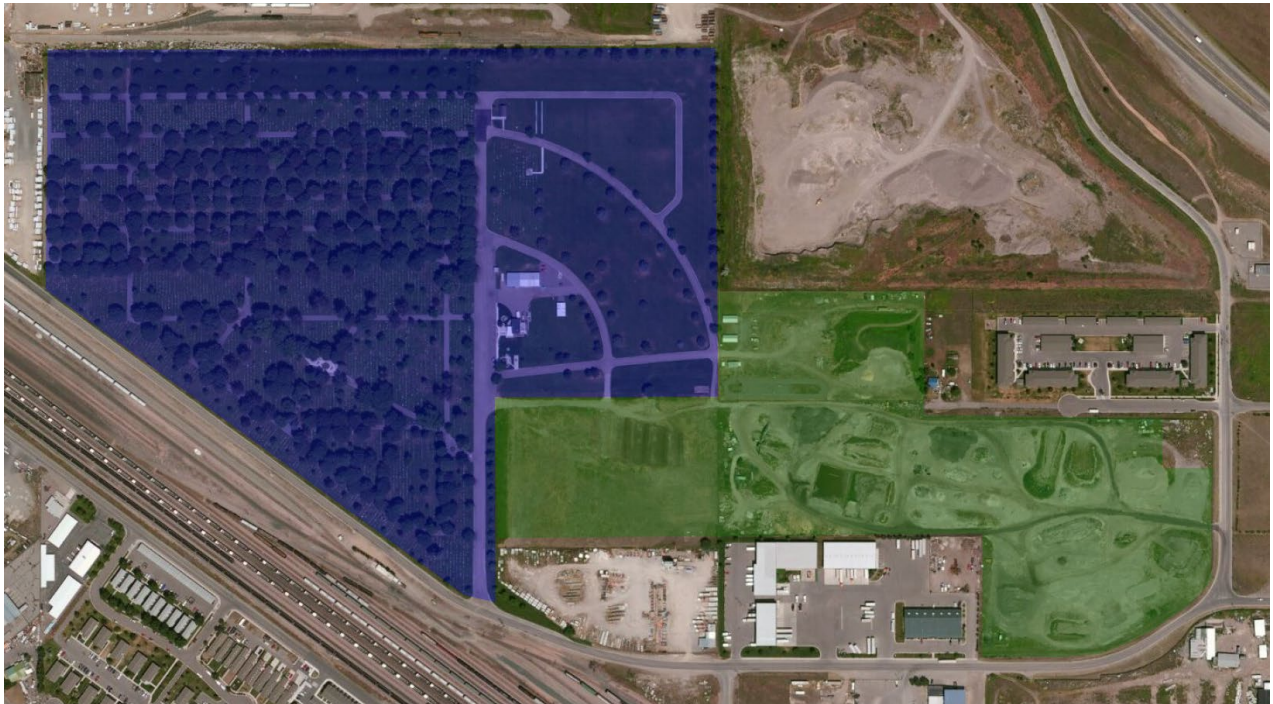
When the Cemetery was formed through a land deal with the railroad in 1884, fourteen acres were purchased to develop the original sections. This triangular area was located directly across the street now known as Cemetery Road, from the railroad tracks. In the years between 1900 and 1960 the Cemetery Board made land purchases to further expand the Cemetery to its current 80 acres.

Of this 80-acre parcel, roughly 30 acres are currently being used for multiple purposes including as a buffer from a potentially encroaching residential development, composting, equipment storage and in partnership with the Public Works Street Division for storage of equipment and materials (the green shaded area in the map below). The other 50 acres have been developed and plotted for burial. Note that this acreage includes setbacks, roads, sections and buildings (blue shaded area).

Original Cemetery Sections



Developed (Blue) and Undeveloped (Green) Areas of the Cemetery

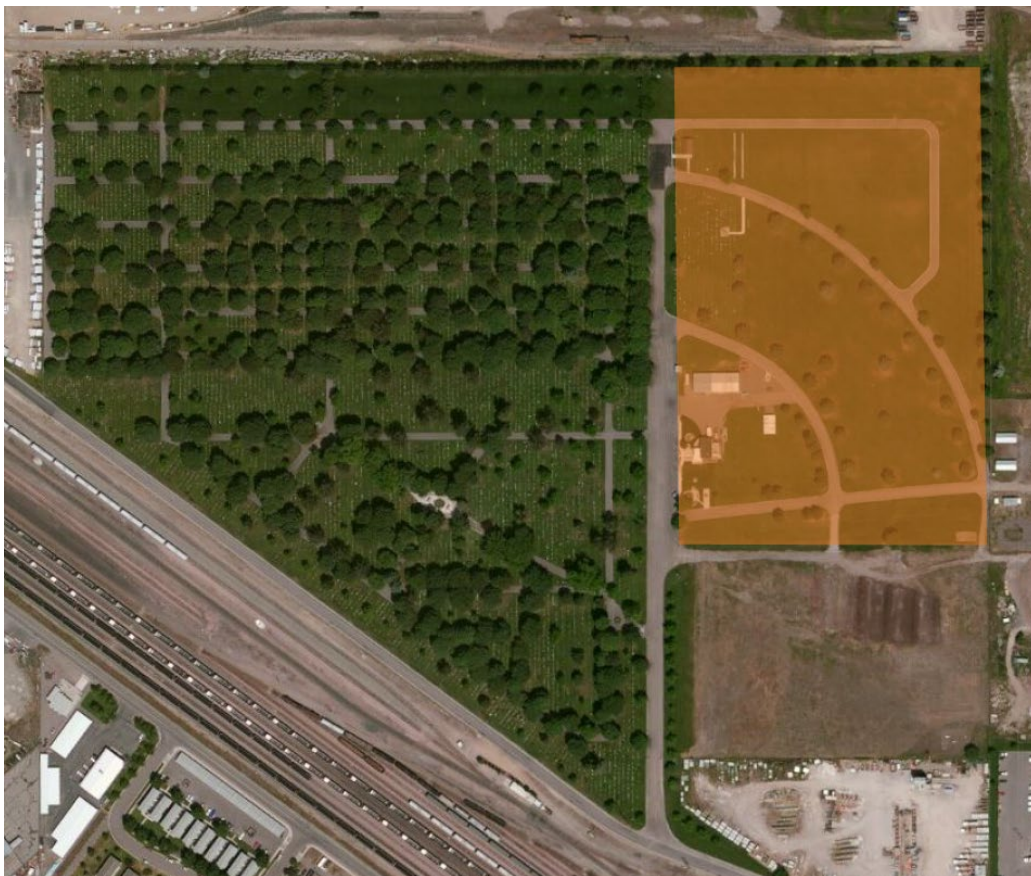


The single most impactful decision facing the Cemetery is what should be done with the currently undeveloped land. This decision is multifaceted, with a wide range of stakeholders including the Missoula Redevelopment Agency (MRA) which put forth a plan for this part of the City. While we diligently attempted to take in all the viewpoints on this area, we recognize that this topic engenders significant disagreement. It is our goal with this section of the report to first determine if there is a Cemetery ‘need’ for this land by doing a Land Reserve Analysis. Second, we examine the land that is considered ‘surplus’ by this analysis and how the sale of that land could impact the operation, aesthetics and the overall feel of the Cemetery. Finally, we determine what land we would recommend divesting and how the proceeds from this sale could be additive to the Cemetery.

Land Reserve Analysis

The Cemetery has expanded multiple times over its 126-year history. From its original design with diagonal alleys to the current more structured block approach, the Cemetery has been continually transforming to meet the needs of the community. The latest version of this evolution was the plotting and development of the northeastern corner to the east of the main entrance drive. This area is now available for sales and burials and is still in its infancy as compared to the more mature sections west of the entrance road.

Most Recent Cemetery Development



In plotting this additional area, the Cemetery expanded its inventory to a total of 7,085 unsold graves. That inventory is further supplemented by standalone columbaria, which currently contain 357 unsold niches. These numbers were provided by the cemetery staff who have a rich history with the site and appear very accurate from our analysis.

Over the past ten years the Cemetery staff have made an average of 35.4 grave and 19.6 niche sales per year. This rate of absorbing inventory has been fairly consistent and while we would expect it to increase during the current pandemic, in our experience the level of consistency over a ten-year period is a good indicator of future sales. From a trending perspective we would expect greater absorption of cremation inventory overtime, however given the minimal footprint required for this product, we did not adjust the rates below.

Cemetery Sales and Reserve Calculation

Fiscal Year	Graves	Niches
2009	30	17
2010	41	27
2011	32	24
2012	62	10
2013	25	17
2014	26	7
2015	27	36
2016	41	26
2017	39	9
2018	31	23
Annual Average Sales	35.4	19.6
Current Unsold Inventory	7,085	315
Years of Inventory	200.1	16.1

Utilizing the absorption rate seen over the past ten years, the Cemetery should be able to make grave sales for a period of 200 years utilizing its currently plotted inventory. The Cemetery should be able to make niche sales for a period of 16 years. This analysis includes only the current developed area and excludes the undeveloped 30 acres which are used for multiple purposes today.

Cemeteries are a unique enterprise in that they have a seemingly unlimited time horizon. It is our approach when analyzing cemeteries that we do not want to plan for more than 20 years and project for more than 50 years. With 200 years of ground burial inventory and the capacity to install cremation inventory that would eclipse even that time horizon, it is extremely unlikely that additional land would be required for burial. This analysis can only lead us to conclude that the 30 acres of Cemetery land can be deemed 'surplus' and not required as a future burial area.

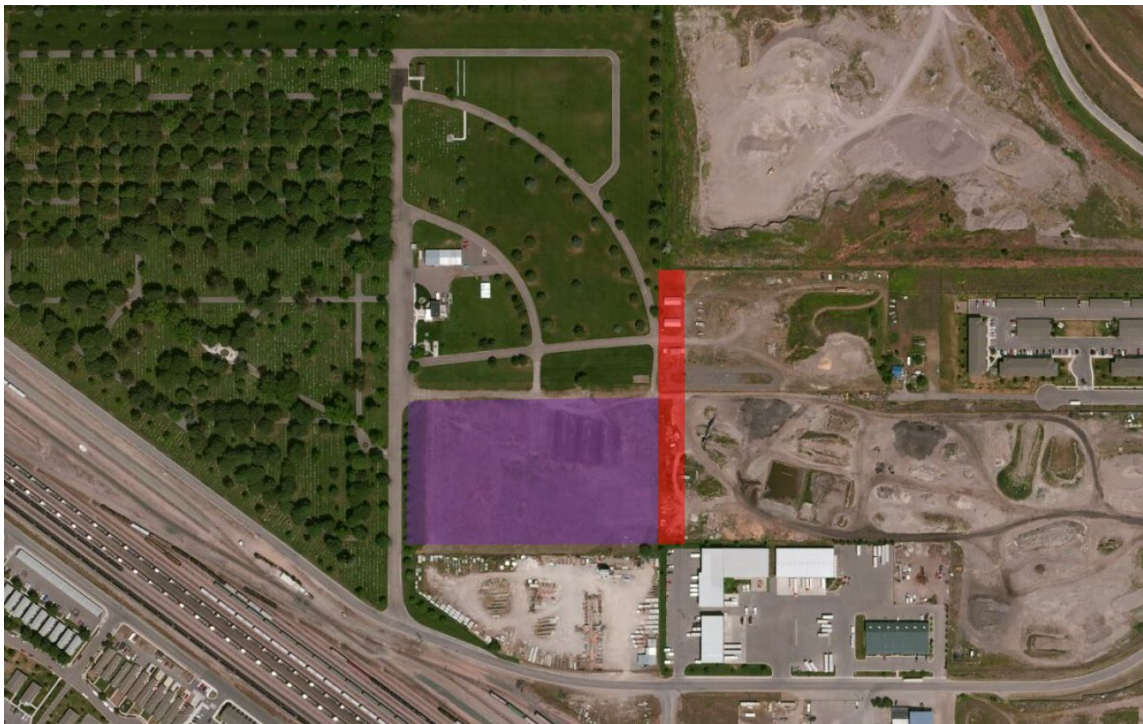
Surplus Land Evaluation

In spending time at the Cemetery, it is apparent that it has been developed with care and consideration of its surroundings. It is located in a unique and challenging environment with heavy industrial activity on two of its borders and yet standing in the center of the Cemetery you feel completely immersed in its tranquil nature. In our many years of helping cemeteries make decisions about what to do with undeveloped land, the feel for the place and the ability to maintain its character are central tenets that we encourage decisionmakers to carefully consider.

In this instance the 30 acres in question are located to the east and south of the most recently developed area. The area meanders from the entrance, around the commercial business to the south all the way to Shakespeare Street.

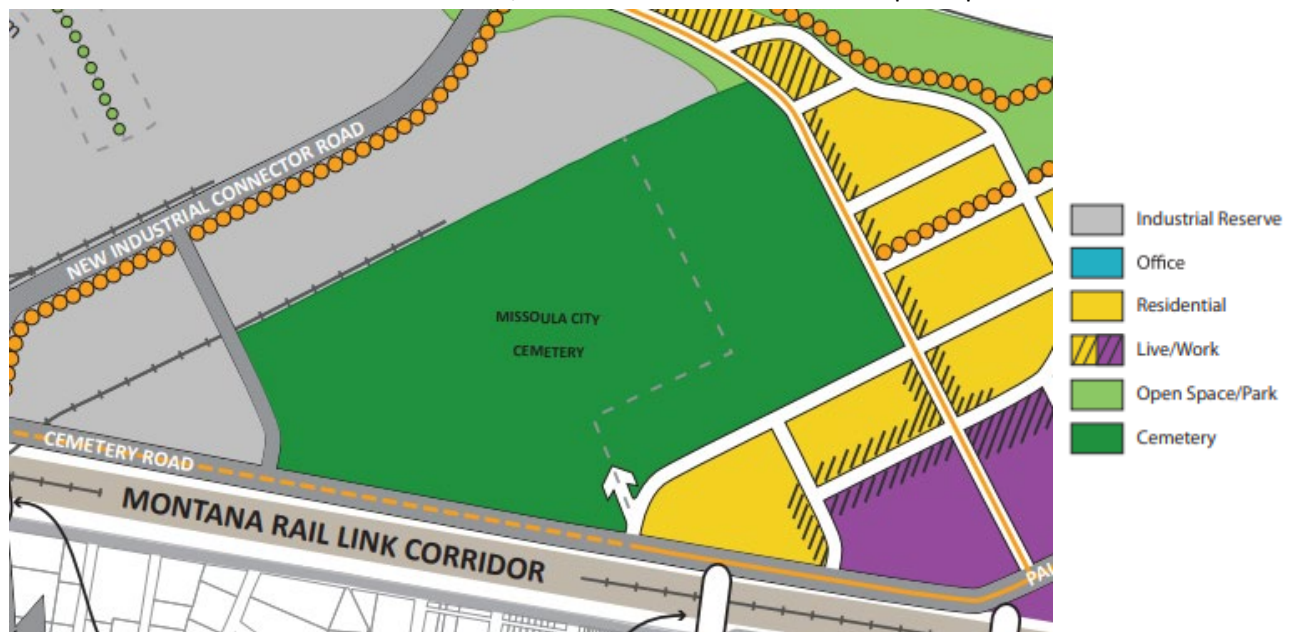
We believe that the City should retain two areas from within this surplus land. The first is the area (red on the map below) is now partially used for equipment storage and referred to as the bullpen. Importantly this area has the pump house which runs the irrigation system throughout the site; a building that would be costly and logistically difficult to replace. While it is our hope that the staff will be able to consolidate some of the equipment on-site and eventually move it closer to a screened central maintenance area, we recognize that some equipment may need to be stored in the northern portion of this area. Retaining it will have a dual purpose and provide greater flexibility for staff. Eventually this area could be used as part of the landscape buffer that should begin to be developed for the likely eventuality that residential development encroaches. We hope that fencing would not be necessary, as it would create a future liability in addition to a short-term cost.

Retained Areas from Surplus Land



The second area that we would recommend the Cemetery retaining is located to the east of the main entrance road and is currently being used for composting and historically for excess parking when hosting events (shown in purple on the map above). We recommend the Cemetery control its entrance by retaining the land immediately adjacent and across from the historic entrance. In the MRA North Reserve/Scott Street Master Plan finalized in 2016, there was a proposed road going from east to west through the residential development and terminating near the entrance of the Cemetery (see map below). We do not believe this is advisable, and by retaining this land the Cemetery could ensure that a cul-de-sac type development will not bring unwanted traffic through the site.

MRA North Reserve/Scott Street Master Plan Concept Map



This area would also be the ideal location for future development of a new cemetery office and maintenance facility. As will be discussed in the infrastructure section of the report, the current cemetery office is reported to be in poor condition. When the time comes for a replacement building, we would recommend siting a new building south of the current office. This would enable it to be the first building that is seen as you enter the grounds, it would be easily accessible on the wide entrance road, which also would not require development of any additional parking. To the east of the building would be an open area that would be available for future development. As the maintenance buildings deteriorate over time, that area could be relocated. You also could look at partnering with other City agencies, to share equipment and or a maintenance facility.

With all of this said, the reality is this land is owned by the City. While the Cemetery Board chooses wisely to invest in this area for a day just like this one, the final decision rests at a higher level. We hope that the City Government will remember that the Cemetery Board acquired these assets with the long-term health of the site in mind. If the City requires the whole of the surplus land to make the economics of the residential redevelopment work, they could elect to take all the land. However, it is our hope that the map below will serve as a guide for the future development and at least a portion of the funds from

this development will be allocated to the Cemetery. The green area on the map refers to the surplus land to be developed as primarily residential, which is estimated to be ~22 acres.

Development Area from Surplus Land



Summary of Recommendations:

- *Maintain the pump house and some vehicle storage area within the Cemetery*
 - *Begin planning a site landscape buffer*
- *Maintain the area currently used for compost inside the Cemetery*
 - *Look at siting the new building on this land and potentially partnering with City Departments to build a shared maintenance facility*

Land Development Proceeds

The Cemetery does not have a long-term care fund that can sustain it in perpetuity, and will therefore need to continue to be taxpayer-funded on an annual basis. While there are some modest funds allocated for capital projects, the land was seen by the Cemetery Board that acquired it as the mechanism to ensure future capital would be available. This was a wise investment and while we would recommend releasing this property for alternative development, we do so with the hope that that the property will yield resources to protect the Cemetery as an important community resource.

As the City analyzes this development opportunity, we hope the following projects can be funded to ensure the Cemetery has an opportunity to provide for the next generation: a decorative frontage fence and entry gate, privacy wall to the west, plantings on the north boundary, and dedicated funding for a

new building. We believe each of these projects will enhance the site and so we would prioritize them as funds become available as they have a range of costs. Based on our discussions with local vendors we would estimate the following costs, however it should be noted these are very general and we would recommend they be explored further with stakeholder input towards design and material selection.

- Decorative frontage fence and entry gate – \$100,000
- Privacy wall to the west – \$30,000
- Plantings on the north boundary – \$10,000
- Dedicated funding for a new building – \$720,000

If additional funds are available, we would recommend they be set aside or ideally invested to go towards the long-term care of the site.

In addition to functionality, the City should also consider the aesthetics of this development for the Cemetery. Although the new residential use will likely prove to be a softer background than the industrial operations on other sides, we still believe the Cemetery edge should be framed with a setback of green; a combination of low shrubs, evergreen trees and high canopy hardwood trees. These should prove to be an effective screen as well as additive to the cemetery's collection of trees and plants.

Summary of Recommendations:

- *Set aside funds from the development of the surplus property to help the Cemetery fund capital projects*
 - *If funding is sufficient, invest in a decorative frontage fence and entry gate, privacy wall to the west, plantings on the north boundary, and a new building*

5. Infrastructure

Cemeteries are made of core physical components that often require not only regular maintenance, but long-term capital costs to replace or repair. In this section of the report we examine these areas to determine the appropriate actions to ensure these key features can not only be maintained but enhanced.

Overall, we found that the grounds crew and management has done an excellent job of physically maintaining the site and allowing families and the community to have a beautiful greenspace. The older sections have ample trees and the memorials are generally in good repair. The new burial areas are more open and will mature over time, but have been well laid out.

Fencing

A core element of cemeteries that is often undervalued is fencing. Fences are the first thing visitors see when they drive by the cemetery and in our experience, they have a much greater impact on the perception of site than one might expect. The Cemetery is currently fenced on all sides, and the frontage fence along Cemetery Road is the most visible part of the cemetery for most people. This fence spans roughly 1,651 feet and it and the Entry Gate are both chain link. While in fair condition this section of fencing is the first and potentially only impression that residents may have as they drive by the Cemetery. With all the headwinds facing cemeteries, the Cemetery must consider the value of making a more positive first impression.

We recommend the frontage fence be replaced with an ornamental fence and the entry be enhanced with pillars and new gates that would be in keeping with the original entrance (now seen when accessing the older sections). Ideally, the entrance would also be relocated as part of this process, to be closer to the street, but this would require some kind of land exchange with Hutton Precast, a neighbor to the Cemetery.

Alternatively, the frontage fence could be removed, opening the site up, although this was met with concern from some of the residents and staff

Frontage Fence



Entrance



interviewed. In our last discussion with the Board, the idea of creating an 'edge' rather than a fence was broached which could be a good intermediate option. We would continue to encourage the Board to consider removing the fence as it will reduce a future cost and provide a welcoming image to the public. We have seen many cemeteries cautiously remove their fences in a variety of communities from Flint, MI to Toledo, OH to Orlando, FL without experiencing the downsides often associated with this concept.

The fence on the west side, which spans roughly 695 feet of the property is also of chain link construction and in good repair. This fence serves an important function as most of the major Cemetery roads lead towards this fence line and directly behind it is industrial activity. There is not sufficient space between the cemetery road and the fence to plant anything that would help further obscure the sightline. With that in mind, we would recommend this fence be replaced by a more substantial privacy fence to shield the Cemetery from the industrial uses adjacent.

West Fence



There is also industrial activity on the north side of the Cemetery and a chain link fence present. The industrial activity on this side of the cemetery is seemingly less impactful as there is no road directly adjacent (although the activity is certainly noticeable). For those who have selected burial locations in this area we would recommend keeping the fence, but installing a dense planting between the hardwood trees that currently provide screening. This has been attempted on the western portion of this fence line and we hope by taking the lessons learned there, the staff could provide an effective solution along the remaining open areas.

North Fence



The east side of the Cemetery today does not need a fence, however if the residential development moves forward this could be reevaluated. We would not recommend a fence as it would present a future liability, but this decision should be made after better understanding any future development.

In discussing fencing cost with a local vendor, we were told the cost to replace the frontage fence and the entrance gate, as well as to install ornamental pillars would be roughly \$100,000. The privacy fence cost can be highly variable based on material selections, however in our discussion with local vendors it was estimated at upwards of \$30,000. It is unclear if the Cemetery's western neighbor would be willing to participate in cost share if the west fence was replaced, but this should be investigated.

Summary of Recommendations:

- *Replace the frontage fence on Cemetery Road with an ornamental fence, a softer 'edge', or remove it completely*
- *Replace the entrance with ornamental fence and gate and pillars*
- *Remove the western fence with a more substantial privacy fence*
 - *Discuss cost sharing with western industrial neighbor*
- *Add significant plant material to the north fence line to further obscure the industrial activity*

Structures

In the Cemetery there are four primary buildings; the maintenance garage and shop, a secondary maintenance storage building, the chapel and the office (which also includes a garage and a residence upstairs). The maintenance shop and garages are both in good repair and the staff appears to be meticulous with the upkeep of the buildings. These two buildings' exteriors were painted green two years ago. The main maintenance building is large and fully functional, the smaller secondary building is primarily for lawncare equipment and a single bay in the office is used for further equipment. Finally, there is a maintenance area within the undeveloped 30 acres that has additional equipment, storage and the pump house for the irrigation system.

In the near term, given their central location within the Cemetery, we recommend the garages be repainted with a neutral color to minimize their presence, such as grey. Further landscape screening (small trees, shrubs, grasses or other native plants) can be planted where appropriate to help obscure the presence of the equipment and operation.

The small chapel on-site is unfortunately not particularly functional; it is difficult to heat and cool and too small for most events. It primarily serves as a gathering place for the Board, and is occasionally used for families to meet when there is inclement weather, but the staff reports that use is very infrequent. This is consistent with national trends, as funerals and memorial services are increasingly getting smaller in scale.

Public restrooms are located near the maintenance and office complex. The two restrooms are adequate and appreciated by many of the people we spoke with who spend time at the Cemetery.

Chapel



The interior of the office has been made as pleasant and functional as is practical. While the primary staff workspaces are good, the lack of additional space to speak with families in a semi-private setting is very limiting. The records retention area in the back is well-maintained and can serve as a meeting space

if needed, but it is not ideal. The staff has done a good job of efficiently organizing the space, although further digitization of the records should be explored to limit the physical storage requirements. The office also has an apartment on the second level occupied by a grounds employee who opens and closes the gates and generally watches over the Cemetery (this was a very common arrangement in cemeteries historically, but it has been largely phased out). The exterior of the building is brick and appears to be in poor condition, which concerns site management. In our opinion the structure is aging and will need to be replaced over time.

Cemetery Office



After evaluating the structures individually and collectively, we believe that the staff have worked hard to maintain what they have and to keep it running as best they can. However, it is clear that in the coming years the City will need to begin planning for either a new facility or a major remodel. In our opinion it would be well-timed to tie this to the potential land sale and design a building that would serve as the future of the Cemetery for the next generation and beyond. It would be ideal to combine the restrooms, meeting area and the space for administration, sales, and records retention in this new facility. We believe this can be done in a roughly 2,400 square foot building with the following component spaces:

- Lobby and Work Stations 12 x 18
- Two Restrooms 10 x 12 (each)
- Manager's Office 10 x 12
- Conference Room 12 x 12
- Break Room 12 x 12
- Storage Room – Records 12 x 12
- Multipurpose Space 24 x 36

After researching and discussing the building costs in Missoula, we believe a facility of this scale would cost roughly \$720,000, which does not include demolition of the existing buildings. This is a cost that one day will be incurred if the Cemetery wishes to continue to have a permanent office on site.

Summary of Recommendations:

- *Repaint the maintenance garages in a color that would draw less attention to them*
- *Use landscaping to obscure the two primary maintenance buildings where possible*
- *Design and build a new long-term facility that consolidates the restrooms, meeting area and the space for administration, sales and records retention*
 - *Once this facility is built, remove the chapel and old office/residence*
 - *Explore further digitizing records to reduce physical storage*

Irrigation

The entire developed Cemetery is irrigated. The irrigation system utilizes water from two wells and is in excellent condition, functioning well despite being a manual system. This is largely due to the care and maintenance performed by the staff who have adopted best practices for this type of setup. Access to water is something that many people appreciate when they visit and was commonly mentioned during our interviews with lot owners. In many cemeteries of this age the irrigation system is failing and requires substantial resources to be repaired. We commend the staff for their work to date and hope that will continue in the future.

We would recommend that signage be placed strategically throughout the grounds to indicate that the water is not for drinking. This is common in cemeteries with accessible irrigation systems and a good practice to ensure public safety.

Summary of Recommendations:

- *Continue to maintain the system and ingrain the best practices used today in future generations of staff*
- *Add signage to indicate irrigation water is not for drinking*

Roads

The internal road system of the Cemetery is in excellent repair. The roads have been chip sealed on a consistent basis and the edges (which are often the biggest challenge for Cemetery roads as cars park along them to visit burial sites) are well maintained.

As can be seen on the map to the right, the original section of the cemetery towards the bottom of the map has varied road patterns, with diagonal roads creating a unique set of sections. The next iteration of the cemetery featured the main roads that are utilized today by visitors, which run east to west and are flanked by trees and the irrigation system. These roads were designed to create 'blocks' of grave space that were easily accessible and simple to layout.

In the development of the newer design the roadways became quite dense. The proximity of the east to west roads to each other is often less than 100 feet apart, whereas the industry standard is no more than 300 feet. Many cemeteries in this situation might consider closing and removing particular roads. This has

Older Cemetery Section Roads



multiple benefits; including eliminating the future cost of maintaining/repairing/replacing these roads, and gaining inventory in established sections of the cemetery that are often most desirable.

This is a potentially controversial concept, as it has the potential to change the aesthetics and access of the site, it would also alter the landscape for lot owners who have already purchased. Given the resistance to this concept by the Cemetery Board and Staff, we would not recommend it at this time, but if and as roads begin to require replacement, it could be reconsidered.

Summary of Recommendations:

- *Continue with maintenance practices to keep up the roads*
- *Further study removing roads as they enter the next maintenance cycle*

Above-Ground Burial Structures

There are a number of free-standing columbaria, for the inurnment of cremated remains in selected areas throughout the Cemetery. This is a common product that many cemeteries adopt as a way to provide options for cremation customers, who are such a significant portion of the marketplace in Missoula today. The newer walls are all constructed of granite and appear to be in excellent condition. There has been a niche fund created to install more walls in the columbarium plaza.

The first three columbaria ever in the Cemetery were reportedly built by the staff at that time. They are located on the main entry road near the office and have 192 burial spaces, signified with bronze niche fronts. These structures are in poor condition, with visible water damage and would be almost impossible to maintain in the long-term. At some point we would recommend the families be asked to allow relocation of the cremated remains into a granite niche, ideally at no cost to the families. We would recommend the Cemetery make the decision to relocate the cremated remains in this columbarium to one of the newly built niche walls, and then remove the old structures.

Newer Columbarium Wall



Original Columbarium



In this same area there is a small 64-niche granite columbarium that would appear significantly out of place if the other columbaria were removed. We would recommend that when the other columbaria are removed, the staff relocates this unit to a more appropriate place away from the office. As it is in fine condition, it could simply be relocated as a whole without removing any cremated remains. There is sufficient current niche inventory to accommodate these transfers.

The columbaria are the only above-ground burial spaces in the Cemetery, there are no above-ground crypts for casket burial. The Cemetery does have a small section where private family mausoleums can be erected, while infrequent these types of small structures can continue to be accommodated. In our opinion, the City Cemetery should not develop a community-style mausoleum (a larger public building designed with above-ground crypts) now or in the future as there is a modest market for the service, it would require a significant capital investment and it would become a significant long-term liability.

Summary of Recommendations:

- *Relocate those inurned in the original three columbaria and remove the structures*
 - *Relocate the granite columbarium in the same area to a more appropriate location*
- *Do not build a community-style mausoleum*

Crematory

In Montana as a whole, the rate at which a family selects cremation as a step in the memorial process is over 75% as per the Cremation Association of North America and anecdotally more than 85% locally when interviewing funeral homes. This rate is forecasted to continue to rise over the coming years and as such the Cemetery Board has considered the concept of creating a crematory on the grounds of the City Cemetery.

Crematory operations are often done in concert with a funeral home, so they can offer a full range of funeral services. Without the funeral home component, crematory operations require a significant upfront investment and they are very labor-intensive, with low margins. In more practical terms, a crematory would fundamentally shift the hours, activity of the site and can impact the feel of a cemetery when not sited and operated correctly.

In reviewing the community's crematory options currently and interviewing multiple individuals within the funeral industry, it is our assessment that the funeral service firms in Missoula appear to have sufficient crematory facilities for the community today. So, despite this high rate of cremation, we recommend the City Cemetery not pursue the development and operation of a crematory. It would be highly unlikely that these underlying dynamics will shift in the short or medium-term and we would not expect any circumstance where the city would build a crematory.

Summary of Recommendations:

- *Do not pursue the development of a crematory at this time*

Historical Recognition

In 2019 the Montana History Foundation awarded the Cemetery a grant to install six interpretive signs. This was a concept that the Cemetery staff executed well and adds value to visitors who walk around this unique greenspace. These kinds of signs are increasingly commonplace in other historic cemeteries and can be a great resource to build self-guided tours or other engaging opportunities for visitors. Given the rich history that exists throughout the site we would recommend their use be monitored and more signs be installed as opportunities exist. Grants are often available for alternative purposes like history, horticulture, educational programming and we would recommend continuing to work with community partners to get additional funding.

The City Cemetery has a rich history that in our opinion qualifies it to be listed on the National Register of Historic Places, created by the National Historic Preservation Act of 1966. Many cemeteries throughout the country have applied for and by granted this designation, there are over 1,600 listed in the searchable database today, including 10 in Montana.

We would recommend the Cemetery Board work with the Cemetery and other City Staff to apply for this designation. The Cemetery has been a cornerstone of Missoula for over 125 years and should formally be recognized as such.

Summary of Recommendations:

- *Monitor current historic signage and expand the program by pursuing further grant funding*
- *Apply for designation as a National Historic Place*

Pet Program

During our evaluation of the Cemetery operation, the staff made us aware that a pet burial program has been discussed within the management and Board levels. In the current proposal for this concept, only the cremated remains of pets would be permanently inurned in an ossuary in a single designated area within the Cemetery. Integrated with or adjacent to the ossuary could be a wall where families could purchase an inscription for their lost pet.

It is important to note this would not be a formal pet cemetery, but rather a feature of the Cemetery which would allow the community to remember lost pets. We believe this would be a service to the community and a modest source of future revenue. We recommend this be permitted at the Cemetery and that the staff proceed with the program when practical.

Summary Recommendation

- *Proceed with the Pet Program as designed by staff*

Interpretive Sign



Annual Maintenance

From spending time with General Manager, Ron Regan and his grounds staff it was clear they are a very high-functioning and professional group. They do a terrific job of maintaining the Cemetery to a very high standard. The best practices that we often recommend in municipal cemeteries were found to be already implemented or exceeded by the dedicated staff. They appear committed to preventive maintenance and very capable of keeping mechanical equipment working well into its life. This is critical for a taxpayer-funded operation like the City Cemetery, and their practices have consistently allowed this portion of the operational budget to remain low.

6. Marketing

Relevancy

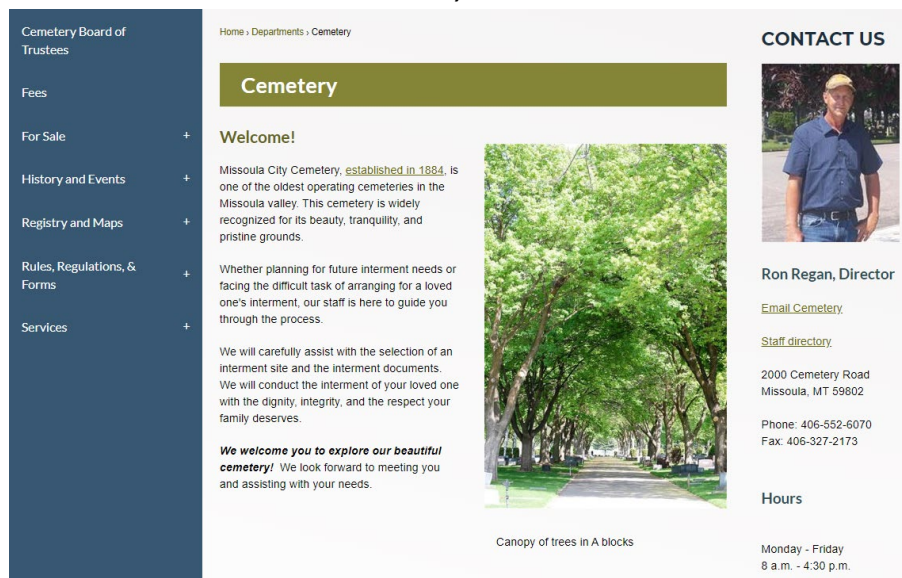
In the current times it is very challenging to market cemetery services. Historically, traditional advertising services served cemeteries well; particularly from the 1970s through well into the 1990s. Our clients utilized newspaper advertising, direct mail and television to attract families to a particular cemetery as a part of the family financial planning process.

The headwinds that cemeteries face in 2020 and beyond similarly impact the approach to marketing. Historically, a cemetery could market to heads of households over 40 years of age. The longevity of Americans today makes families in their late 60s less likely to plan for funeral and cemetery expenses. Mobility in retirement, fractured families and children residing in different state than their parents also changed the funeral and cemetery planning process. Cemeteries can struggle with the question of “where is the right place for a family cemetery lot?”

The change with the biggest impact is the fact that cremation as a step in the funeral process is now commonplace. Those who decide to be cremated believe that they have done all of the planning that is required. The cremation service is relatively affordable compared to a traditional funeral and the cemetery often is not even considered.

Many families only begin to address funeral and cemetery planning when an illness is diagnosed, and often use the internet as a first source of information. We were pleased to find the City has an easy to use and transparent website, and we feel the City Cemetery is in a good position to serve those families.

Cemetery Website



Pricing information is clearly available, and given that the Cemetery is priced below the market (as is common with municipal cemeteries) that is a key element to highlight. The website also does a clear job of explaining the rich history at the site, allowing Missoula residents to view it as a relevant place for

them and their family. In our opinion, a cemetery's website along with its reputation are the best available marketing tools today.

Social Media is increasingly a medium that historic cemeteries across the country are embracing and finding traction as they attempt to engage with a wider audience. Cemeteries like Laurel Hill in Philadelphia, PA and Oakland Cemetery in Atlanta, GA utilize platforms like Instagram, Facebook and to a less degree Twitter to promote unique events and their history. Woodlawn Cemetery in Toledo, OH primarily uses social media to promote tours and events, including birdwatching and tree identification. Mount Auburn Cemetery in Cambridge, MA highlights their monumental art, restoration effort and greenspace. We would suggest the Cemetery Board and Staff explore these and other cemetery's social media channels to determine if this is conceivable for the City Cemetery.

The City Cemetery's reputation can be further enhanced by articles in the City Newsletter and events at the Cemetery. The Stories and Stones event that has been run annually is a great example of the appeal the Cemetery can have when the community is given an opportunity to embrace it. The levels of service and maintenance are also central to a strong reputation. In talking with many lot owners, it was clear that they have seen a dramatic transformation over the past ten to fifteen years and that will pay dividends as the Cemetery continues to establish itself as a destination cemetery in Missoula. We credit the current management with this positive shift.

We have proposed a few alternative services for the disposition of cremated remains which we believe can increase the number of families considering the Cemetery as a final resting place. We believe the next step is to continue to build the Cemetery's programming to make it increasingly relevant to the community. For example, the Cemetery has an abundance of trees, which upon survey could ideally result in an arboretum certification. Tree identification signs could be placed on selected trees and the Cemetery could become a site for nature education throughout the grounds. We would recommend the Cemetery pursue a partnership with the University of Montana and/or the State to get surveyed and certified. These potential partnerships could also assist with the selection, care and planting of new trees as appropriate throughout the site.

One of the fastest growing hobbies in the County is birdwatching. Given the ample amount of vegetation and trees, we believe the Cemetery could be an attractive location to promote this activity, and have community members engage with the grounds. We have seen similar cemeteries work with local birding organizations to host weekly or monthly events at the Cemetery. These can range from small in scale and more passive, to larger and requiring more from the Cemetery staff. We would recommend the Cemetery connect with local organizations to see if there would be interest in hosting an event or series of events.

There may be other disciplines at the University of Montana who may wish to utilize the Cemetery as a resource, such as photography and visual arts programs, which we have seen successfully partnering with cemeteries. The Cemetery might consider approaching the Historical Museum at Fort Missoula or the Missoula Art Museum to identify creative ways to establish partnerships that benefit both parties as well as the community. These new avenues for activities could not only increase relevancy and

activity at the site, but may also generate donations to the Cemetery to help it be sustainable as a growing community resource.

All of the proposals in this section are dependent on staff time and persistence. We recognize that time can be a major challenge with the small team in place, and acknowledge that the staff may need assistance if these programs are to be embraced.

Summary of Recommendations:

- *Continue to update the Cemetery's website with information and promote the pricing so the community better understands the resource they have available*
- *Study cemetery's social media to apply to the City Cemetery*
- *Embrace alternative paths to relevancy for a larger audience*
 - *Embrace the trees at the site and pursue arboretum certification*
 - *Connect with birdwatching groups about events that could be hosted at the Cemetery*
- *Look to further partner with community organizations*

Prices

Municipal cemeteries have competing interests when it comes to pricing. On one hand this is a community-financed organization that fundamentally provides a necessary service to the community. On the other hand, the Cemetery should strive to be as self-sufficient as possible, reducing the public subsidy that is required annually. In evaluating the current pricing model, we believe the City has found a good middle ground that leans towards being a low-priced option for the public.

Currently the Cemetery Fee Schedule is under the market and is less than what we see in other urban areas, apart from the Western Montana Veterans Cemetery (which is free for Veterans and their spouses). In comparing pricing across marketplaces, the City Cemetery is as much as 25% less costly than comparable cemeteries.

In our interviews with lot owners and community members, it was consistently expressed that the pricing was fair and a positive attribute of the site. Recently the City implemented an annual fee escalator to help the Cemetery Fees keep pace with increasing expenses. We believe these fees in conjunction with the escalator position the Cemetery well and provide a valuable service to the community.

Summary of Recommendations:

- *Continue with current pricing plan, monitor other cemeteries' prices and evaluate against expenses on an annual basis*

7. Products and Services

The cemetery offers families a standard set of products that are consistent with what is seen in other municipal cemeteries throughout the country. The staff is somewhat limited by the increasing popularity of cremation compared to the design of the cemetery for full-body burial, as well as the prescriptive ordinance governing the cemetery.

Cremation Burial Options

Unlike casket burial, when a family selects cremation the cemetery is no longer a required part of the memorial process. This has been the single most significant trend impacting cemeteries throughout the county and in a community like Missoula its effects are substantial. In order to better address the needs of those who choose cremation, the City Cemetery should consider offering a broader range of products at varying price points.

Currently a cremation customer seeking interment at the City Cemetery has two options; selecting a niche space in several locations or selecting a traditional grave, which for burial of the cremated remains. Traditional graves can be purchased for the sole purpose of cremation burial or a grave can accommodate both a casket and cremated remains. In this instance the Cemetery sells the cremation as what is widely known within the industry as a Second Right of Interment. For families who wish to remain together and already own a casket burial space, this is a great product.

This repurposing of existing traditional grave space was wise decision, but we believe the community may embrace having simpler and lower priced burial options. A program that has been well received at cemeteries throughout the country is what we would call a Remembrance Crypt. This concept is designed to accommodate the permanent placement of cremated remains, just like a grave space, but in a common burial vault. The Cemetery Staff would collect the cremated remains in a safe place and then place them in a vault at scheduled intervals. We would expect no fewer than 100 remains being placed in each vault.

This option allows the customer to have their loved one's information included in the permanent records of the Cemetery for a low fee – we recommend \$100. To ensure the family can memorialize their loved one, the Cemetery could install a cenotaph (a memorial remote from the burial) on which the name and date of death could be inscribed. This creates a place for the family to visit if they wished. At other cemeteries similar to the Missoula City Cemetery this program has been very successful as it allows the price conscious customer the opportunity to have their loved one's name in the permanent record and a place to visit for a total fee of \$300.

At the other end of the price spectrum, there are customers who are looking for interior cremation options that are climate-controlled. As mentioned, we would not recommend a standalone mausoleum as it would be capital-intensive and a substantial liability in future years. However, if the City were to integrate niches into the new building, they could create an appealing product for families.

We would recommend that the City study this concept with the idea of installing a “pilot” bank of glass niches to determine the level of sales that could be generated. This project could be phased to limited risk and capital investment and we would expect the city could charge 2-3x current pricing for exterior granite niches. Glass niches allow the family to include memorabilia within the niche which has proven to be very successful at other cemeteries around the country. If this product pilot were successful it could be expanded and would help offset some of the cost of the new building.

Glass Front Niches at Sunset Cemetery



For those who elect to be cremated but prefer ground burial, we would recommend that the City Cemetery lay out an area for cremation-specific graves. We recommend the graves be smaller than a traditional grave, but large enough to avoid density of burial and monumentation. A recommended layout would be a 4 ft. by 4 ft. grave allowing the burial of two cremated remains within the space. This could serve as another low-cost option, but with the added benefit of an individual space and an individual marker. By marketing this space at \$500, the Cemetery would be providing a less costly option that in the long term could generate more revenue for the Cemetery as there would be two inurnment service fees paid.

In this same cremation grave area, we recommend the Cemetery designate several lots for individual above-ground cremation products; upright monuments that have cremation burial spaces built into them. They can take the form of a bench or a small columbarium or could be designed similarly to a traditional monument. These products are appealing to the higher-end cremation customer who is looking for a more personal monument.

Individual Columbarium



To execute this program, we recommend staff build a portfolio of approximately ten options (with photos and pricing) that could be offered to families interested. In our experience, working with local monument dealers to set up the area, determine foundation sizes and potentially partnering to coordinate sales, would be beneficial for all involved.

Summary of Recommendations:

- *Create a permanent placement option for cremated remains*
 - *Install a cenotaph for the inscription of name at an additional cost*
 - *In the future, study integrating this into the design of the new facility*
- *Study installing glass front niches in the new facility's multipurpose room*
- *Lay out a cremation grave section in the cemetery*
- *Designate multiple cremation graves for individual above ground cremation products*
 - *Work with local vendors to build out options for families*

Prepaid Services and Memorials

Currently the Cemetery allows families to prepay for a grave or niche in advance of any need. This is a service that gives peace of mind to those planning for their own memorial and for family members who want to ensure they will be next to a loved one who has passed away. Currently other elements of the burial, including the vault and the interment or inurnment fees cannot be prepaid today at the Cemetery today.

Allowing prepayment for those elements would provide a service to the purchasers who wish to take care of all fees and not burden their survivors with additional costs. We recommend the Cemetery Staff work with the City to establish a Prepaid Services and Merchandise Escrow Fund. The Cemetery Staff would sell the services and merchandise (principally memorials) at today's price and upon payment in full, 100% of the fees charged would be placed in the fund. When the service is provided in the future the amount deposited would be transferred to the Cemetery. If there is interest income this would also be remitted to the Cemetery and the Cemetery would provide the service or merchandise for the prepaid fee regardless of the current fee schedule.

This program provides benefit to the lot owners, adds little to no costs to the Cemetery and over time would become another asset of the Cemetery; similar to the Capital Fund, the Niche Fund and the Donation Fund. The lot owner will have some protection from inflation impacting the costs of these services and the vault. While the Cemetery will receive revenue from this sale when it is delivered, by depositing 100% of the prepaid amount until the service is provided, it will have no impact on the budget or operations outside of the need to track the information alongside the prepaid graves.

Summary of Recommendations:

- *Establish a Prepaid Services and Merchandise Escrow Fund and allow families to prepay for the vault and interment or inurnment fees*

Markers and Monuments

Over the last several years there has been discussion within the Cemetery Staff and Board, and with the public about the concept of offering markers and monuments for sale at the Cemetery. While there is logic in offering a broader range of services to the public, after meeting with staff from funeral homes and monument dealers, speaking with families who have used their services and reviewing this concept with Cemetery Staff, we do not think this concept should be further pursued at this time.

This conclusion is first driven by the reality that the net income from the sale of such products by the Cemetery would not be significantly impactful to City Cemetery Budget at the current scale of potential sales. Memorials are also a more nuanced product to learn and the training and time required by the staff to make sales and work with monument dealers to track installations may outweigh the benefits. In reviewing the pricing available throughout the community, the current situation where monument companies and funeral homes sell the marker and monuments is competitive, allowing lot owners options.

Summary of Recommendations:

- *Continue to prohibit the sale of monuments and markers at the Cemetery*

Engraving

Several members of the staff at the Cemetery have participated in a training course on engraving granite. The staff have the equipment to do the work on-site and they have been successfully engraving niche fronts, but currently they are prohibited from doing any other engraving. We recommend that the Cemetery staff be allowed and encouraged to expand the engraving services; specifically, to include final dates on graving markers and monuments. Often families are unaware of the need to secure this service and the Cemetery is well-placed to identify when it has not been completed. To better facilitate this, the staff can track and confirm that the memorial is fully inscribed. The income from this service is minimal for the City Cemetery, yet the Cemetery has the vested interest to ensure the dates are complete.

Summary of Recommendations:

- *Expand the engraving that is offered at the Cemetery to include final dating*

8. Governance

Ordinance 3594

Ordinance 3594 covers the Missoula City Cemetery and has increasingly become a greater debated document that has substantially grown over the years according to legal staff. In our many years of evaluating municipal Cemetery operations, this ordinance is one of the most lengthy and prescriptive that we have encountered.

In our professional opinion, the ordinance would benefit from being simplified and scaled back. It is much more commonplace for the majority of the detail in the ordinance be found within the Rules and Regulations of the Cemetery. This would enable greater opportunity to address the details at the Board level while keeping the high-level management decisions with the City Council. As a firm that routinely reviews and develops this type of regulatory structure, we would be glad to further engage with the City if that is valuable.

In the short-term there are specific areas of the Ordinance that should be updated:

1. 12.44.010 – If the Pet Program is to be pursued the language to permit the placement of the cremated remains of animals must be added to the ordinance as today the language allows only for the burial of human remains.
2. 12.44.030 – Remove the requirement to retain obituaries as part of the permanent records of the Cemetery.
 - a. This will provide flexibility to the staff, but where appropriate obituaries can still be retained
3. 12.44.070 – The Niche Fund Reserve should be merged into the Cemetery Capital Fund Reserve. Under the current structure there is not enough flexibility on how funds may be expended, as all the money is required to go towards the purchase of new niches. If the money were in a more general fund, then it could be used to purchase more niches or it could be used to repair a niche wall or if the Cemetery does not need more niches, it could be used to do landscaping around a columbarium or for a totally separate purpose.
4. 12.44.120 – Provision 7 under letter H. Placement should be deleted. This provision prohibits the placement of cremated remains in monuments, which is an increasingly popular product that is commonplace in the industry.

9. Sustainability

Budget Review

As discussed throughout this report, operating a cemetery in the current headwinds facing the industry is challenging. For many municipal cemeteries this is further amplified by their need for taxpayer funding as they are often not profitable. In our evaluation of the Cemetery Budget, we found it largely in keeping with what we have seen at other similar scale operations and within similar communities. Below is the breakdown of revenues and expenses in 2018 and 2019 that were analyzed earlier in the report.

	2018	2019
Full-Body Burial	\$ 35,100	\$ 37,200
Cremation Burial	\$ 41,850	\$ 49,300
Merchandise	\$ 20,560	\$ 25,693
Additonal Revenue	\$ 8,691	\$ 11,899
Total Revenue	\$ 106,201	\$ 124,092
Personnel	\$ 506,844	\$ 519,329
Supplies	\$ 70,175	\$ 72,861
Services	\$ 27,977	\$ 30,150
Miscellaneous	\$ 5,640	\$ 8,592
Total Expenses	\$ 610,637	\$ 630,933
Total Profit	\$ (504,436)	\$ (506,840)

As can be seen from high-level expense categories, personnel costs make up over 80% of the costs related to operating the cemetery, which we find to be unusually high. In similar cemeteries personnel expenditures make up anywhere from 50% to 70% of expenses. Currently there are three full-time grounds employees, two 10-month grounds employees, one 5-month grounds employee, two full-time administrative/sales employees and the general manager. In our experience, in a typical cemetery you would hire one sales staff and one grounds staff for every 100 services, with a minimum of two grounds staff. That is a very general guideline and other considerations include the seasonal weather-related work, acreage of the site, administrative processes, age of the cemetery and outsource functions, among others, must be factored into the analysis. Having considered all of those factors, given that the site has performed less than 75 interments for the past ten years, we must conclude it is at minimum slightly overstaffed.

In the budget two positions are currently funded yet vacant; a five-month seasonal position and an administrative position. At this time, we recommend both positions not be filled and recommend further cross-training for the administrative position with the administrator, the director and the lead

grounds employee. Consideration should also be given to sharing staff with Public Works or Parks as appropriate. This could allow the Cemetery to scale up during peak times and have a more appropriate staffing plan seasonally or based upon the days of the week. We would extend this to the office hours which could be adjusted to account for visitation and burials trends.

While staffing levels are higher than we would expect given the number of services performed, we must continue to emphasize that we are impressed with management's ability to keep other expenses constrained.

Summary of Recommendations:

- *Do not fill the vacant administrative position nor the five-month season position*
- *Continue to encourage staff to keep non personnel-based expenses low*