

# Spring Lake Township Cemetery Board

## September 20, 2006

### Summary of support for rate increases from 2005:

- The 2006-2007 budget includes \$128K for cemetery expenses, 6.1% of the total SLT general fund budget.
- The budget also includes an estimated \$80K in revenues from the cemetery, leaving \$48K subsidized by the taxpayers/ residents. This subsidy is significantly reduced from prior years before the recent rate increases.
- The Perpetual Care fund is currently \$260K. The fund should be able to support all care expenses for the cemetery, if no additional revenue were to come in. At 5%, the PC fund could only provide about \$13K/ year, far less than the amount needed for even minimal care. Almost all recent increases in site prices, residential and non-residential, have gone directly into the PC fund, and no interest has been withdrawn for use by the general fund, even though it is permitted by law.
- Private, for-profit cemeteries in West Michigan have been driven out of business and subsequently become the responsibility of municipalities because the owners could not even break even against tax-payer subsidized municipal cemeteries. Tax dollars have been used to bankrupt private industry by maintaining artificially low rates.
- Residential rates have been set to try to reduce tax-payer subsidies and ensure sufficient funds are placed in the Perpetual Care trust fund to support future care of the grounds without an undue burden on future generations of tax-payers/ residents. Fees for services are set to more closely cover current expenses, where part of the cost of an interment is the cost to maintain staff on call 24/7/365. PC fund shortfalls from prior years are slowly being replaced by not withdrawing investment income.
- Non-residential rates are set to acknowledge the tax-payer subsidies that have and still exist and ensure that non-residents "buy in" to the high quality cemetery the Spring Lake Township offers, in part, through that tax subsidy.
- Spring Lake Village residents are charged residential rates since they pay Township taxes; others do not pay SLT taxes and therefore do not get residential rates, others are also eligible per the Cemetery Ordinance.