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Date March 4, 2020 **Report No.** 2020-121

To Chair and Members
Social Services Committee

From Jo Cupoli-Atanas
General Manager, Health and Human Services

1.0 Type of Report

Consent Item []
Item For Consideration [X]

2.0 Topic **Assisted Funerals and Burials Service Options** [Financial Impact: None for 2020]

3.0 Recommendation

- A. THAT Report No. 2020-121 Assisted Funerals and Burials Service Options BE RECEIVED;
- B. THAT Option ____ as follows, as contained in Section 8.4 of Report No. 2020-121 Assisted Funerals and Burials Service Options BE APPROVED:
(wording to be inserted based on Option identified);
- C. THAT the necessary By-law to support the option chosen BE PRESENTED to Council; and
- D. THAT recommendations as follows, as contained in Section 7.5 of Report No. 2020-121 Assisted Funerals and Burials Service Options BE APPROVED:
 - i. Pay actual verified crematorium transfer fees and coroner office transportation fees, where required, additional to maximum approved rates

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- ii. Update relevant documents accordingly including current assisted funeral fee schedules, funeral inclusions, and assisted funeral, burial and cremation policies.

4.0 Purpose and Overview

To present options to Social Services Committee and Council to address the limited provincial funding, pressures on the municipal budget, while considering, changing traditions and values associated with assisted funerals and burials.

Assisted funerals and burials refer to funeral and burial services funded through the:

- province for deceased residents in receipt of social assistance benefits (“social assistance funerals”), and
- municipality for deceased low income residents who were not in receipt of Ontario Works (OW) or Ontario Disability Support Program (ODSP) at the time of death (“low income funerals”).

Options are intended to be reflective of the change in community norms and funeral trends. Many families, regardless of income, now elect simpler alternatives such as memorials/celebrations of life in alternate locations or graveside services over traditional funerals.

5.0 Background

Report No. 2019-048 “Social Assistance Discretionary Items– Service Review – Assisted (Indigent) Funerals and Burials”, dated February 6, 2019 outlined the municipality’s responsibility to provide assistance with the cost of funerals and burials. Although the only legal requirement for municipalities is the provision of assistance with burial costs for unclaimed deceased persons, Brantford and most other municipalities also offer assistance with the cost of funerals and burials where the estate of the deceased does not contain sufficient assets. There is however tremendous variation in the costs and services covered between municipalities.

Funeral and burial costs for social assistance recipients in receipt of OW and ODSP are approved under OW Discretionary Benefits funded 100% (up to a provincial funding cap) by the Ministry of Children, Community and Social Services (MCCSS). The capped amount fluctuates based on the provincial formula with the primary factor being OW and ODSP caseloads. The provincial cap is set at \$10 per case multiplied by the average caseload and has not been

increased in many years. Any spending over the capped amount is the responsibility of the municipality.

In addition to funerals, discretionary benefits, which are outside regular OW benefits, include such items as infant car seats, prosthetics, orthotics, and dentures.

Funeral expenses for other low income residents not on social assistance who meet eligibility criteria are funded 100% by the municipality.

Eligibility for funeral assistance is based on the income and assets of the deceased, and does not consider the finances of family members or next of kin.

The last review of funeral rates was initiated in 2009. At that time, a cost comparison was undertaken with other municipalities and Brantford was found to have the lowest rate within the comparator group at which point rates were increased and an automatic annual cost of living was added these rates. In the fall of 2018 Brantford again conducted a municipal comparator review which revealed that the Brantford 2018 maximum payable for funerals exceeded the rates of all comparator Service Managers and was 65% higher than the average maximums paid by other municipalities.

As a result of Report No. 2019-048, “Social Assistance Discretionary Items—Service Review – Assisted (Indigent) Funerals and Burials”, staff were directed to undertake a review of options to reduce the cost of assisted funerals and return to Social Services Committee with a report on the findings with recommendations for Committee’s consideration.

Staff met with Brantford-Brant funeral providers for the purpose of engaging providers in a discussion about current pressures, opportunities for change and to determine what will be important to the providers through the process of the review.

Through this report, staff will offer recommendations and opportunities for cost reductions while continuing to offer burial or cremation services to residents in need. This report addresses only the professional services performed by Funeral Directors, excluding burial and crematorium costs.

6.0 Corporate Policy Context

High Quality of Life and Caring for All Citizens

Excellence in Government & Municipal Management

4.5 Explore opportunities for the implementation of Lean Practices

7.0 Input From Other Sources

City of Brantford - Legal Services

City of Brantford – Cemeteries

Brantford-Brant Funeral Providers

City of Brantford Finance & Purchasing Departments

8.0 Analysis

In the fall of 2018, ten municipalities participated in a survey that identified Brantford-Brant as the municipality with the highest average estimated cost of funerals surveyed¹. Funeral services and costs vary across municipalities with one providing direct disposition (cremation) assisted funerals only and another with a maximum of \$2,390.00 for traditional funerals.

The 2019 maximum funeral charge authorized under City of Brantford Bylaw 41-2013 is \$5,920.76. The cost includes a full service funeral including visitation, should this be selected by the family. The maximum amount does not include provincially regulated cemetery costs which can result in charges per funeral of over \$7,000.

Excluding Brantford, funeral maximums paid by other municipalities ranged from as low of \$2,390 to a high of \$4,994. No other service manager of those surveyed included a built in annual cost of living increase for funeral providers.

In February 2020, the City of Greater Sudbury provided a staff report² which identified that, similar to Brantford, that City's maximum rate for funeral services was one of the highest in the province at just over \$6,000. The analysis from that report suggested that most municipalities' maximums were aligned more closely

¹ Municipalities surveyed include:

Wellington, Kingston, Niagara, York, Halton, Norfolk, Peterborough, Oxford, Peel and Windsor.

²<https://agendasonline.greatersudbury.ca/index.cfm?pg=feed&action=file&agenda=report&itemid=3&id=1495>

with the Canada Pension Plan maximum benefit of \$2,500. The report recommends that Sudbury reduce its maximum for funeral services to \$2,500.

8.1 Assisted Funeral Service Influences



Figure 1 - Increasing Costs & Contributors

The primary driver of increasing expenditures is the number of assisted funerals, which has increased annually since 2015. An increase in funerals may be influenced by an aging population and the opioid epidemic which contributed to 19 assisted funeral deaths in 2019. As these factors are not subsiding, increases are likely in 2020.

The total number of assisted funerals and average cost per funeral are shown in Figure 2 – Assisted Funerals 2015-2019 below. Although the number of funerals continue to increase by an average of 15% annually since 2015, a high percentage of assisted funerals are cremated which lowers the average cost per funeral. In 2019, 76% of assisted funerals were cremations.

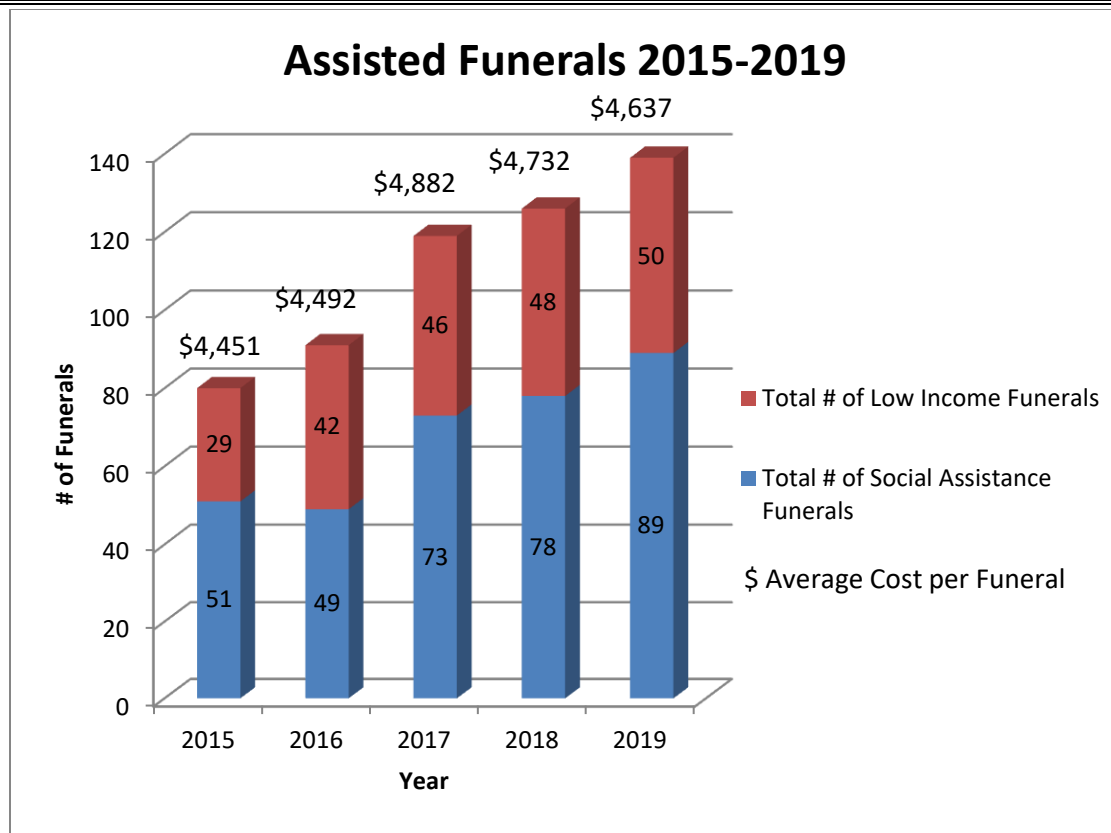


Figure 2 - Assisted Funerals 2015-2019

8.2 Budget Impacts

Social assistance funerals currently represent almost 40% of expenditures in the provincially funded discretionary category which is the largest share of any discretionary items issued. Increases in funeral costs will impact what other discretionary items can be funded without exceeding the cap.

For low income funerals that are not provincially funded, increased costs translate to a direct increase to the municipal budget. The approved 2020 municipal budget includes a gross expenditure increase for 100% municipal funerals of \$27,000.

If funeral costs cannot be reduced, it will become necessary to take one of the following steps:

- Remove or reduce other items in the discretionary budget to ensure that expenditures remain within the provincial cap; or

- Identify a municipal pressure for social assistance discretionary items, and also increase the municipal budget for low income funerals.

8.3 Funeral Recoveries

The City of Brantford pursues recoveries to offset costs of funeral, burials and cremations from all sources available to the deceased up to the maximum of assisted services provided to offset funeral and burial costs. Potential sources of recovery include (but are not limited to) bank accounts, last ODSP/CPP/OAS/GIS/GAINS payments, Canada Pension Death Benefit, monies held in trust, etc.

As the below chart demonstrates, the amount recovered on funerals each year fluctuates. Based on a 5 year average, approximately 50% of the costs of low income funerals and 30% of costs for social assistance funerals are recovered. Recoveries may take months to receive.

	Low Income (100% Municipal) Funerals			Social Assistance (Provincial) Funerals		
Year	Gross Expenditures	Expenditures Net of Recoveries	% of Recovery	Gross Expenditures	Expenditures Net of Recoveries	% of Recovery
2015	\$131,510	\$63,182	52%	\$224,568	\$149,108	34%
2016	\$171,416	\$105, 929	38%	\$237,336	\$167,862	29%
2017	\$227,989	\$136,130	40%	\$352,958	\$260,898	26%
2018	\$221,939	\$120,665	46%	\$374,338	\$251,502	33%
2019	\$211,525	\$78,765	63%	\$433,064	\$285,794	34%
5 Year Average			48%	5 Year Average		31%

Table 1- Funeral Expenditures and Recoveries

8.4 Assisted Funeral Services Options

As part of the review, staff met with funeral providers to obtain their input. Funeral service is a competitive business with costs varying widely

between providers depending on their overhead and pricing structure. Consumers that are paying for a funeral independently can obtain a better price, or more services for the same price, by shopping around. Some providers have advised that they lose money on assisted funerals, even at the City's current prescribed rate. Overall, most providers did not favour any strategy by the City that would reduce the amount of funding available for assisted funerals.

Maintaining the current price structure and assuming the continued increase in the number of assisted funerals, the municipality may encounter a municipal pressure on the discretionary budget for Social Assistance funerals and 100% municipal funeral budget line. Given the complicated and sensitive nature of the subject, staff have presented four (4) options for consideration.

Options #2 through #4 include the recommendation to remove the annual automatic cost of living increase, and instead, review average funeral costs every 2 years and adjust rates depending on inflation and availability of funding.

Option #1(A) – Status Quo

The current policy has been in place since the last review in 2009. Maximum prices and inclusions are defined by City of Brantford's Indigent Funeral By-law #41-2013 and include a mandatory cost of living increase equivalent to the previous year's increase in the consumer price index. Families are not permitted to upgrade services or merchandise, as there is an expectation if funds are available they should be used to mitigate the funeral costs being subsidized.

In addition, staff will need to look at a reduction within other discretionary benefits, which have not been increased in many years, to stay within the provincial cap and prevent a municipal cost pressure.

Should Council wish to implement Option #1, the following recommendation would form part of Clause B found in Section 3.0 of this Report:

- i. THAT the current Indigent Funeral By-law #41-2013 REMAIN in place.

Option #1(B) Status Quo with No Annual Cost of Living Increase

By remaining status quo and removing the annual cost of living increase, Option #1(B) offers a slight reduction to the current funeral services costs.

Support to remove the annual cost of living increase includes:

- other municipalities do not offer this to funeral providers,
- other Brantford-Brant Social Assistance and Homelessness service providers (i.e. Emergency Shelter Providers) do not benefit from an automatic cost of living increase, and
- the \$10 per case discretionary cap has not been increased by the Province for nearly a decade of living increases an average of X% annually.

Should Council wish to implement Option #1(B), the following recommendation would form part of Clause B found in Section 3.0 of this Report:

- i. THAT the current Indigent Funeral By-law #41-2013 REMAIN in place; and
- ii. THAT the annual cost of living increase BE REMOVED.

Option #2 – Provide Legislated Services Only for Unclaimed Bodies

As noted, the municipality has a legal obligation to provide disposition of any human remains deemed to be unclaimed. The responsible municipality is the one in which the death occurred. The provincial coroner must first undertake an investigation to confirm that there is no known next of kin. Typically Brantford would see 2-4 such deaths annually.

The annual cost of direct disposition burials for unclaimed bodies is estimated at \$14,008 for four funerals per year. This estimate also includes the provincially legislated cost for burials.

As the community learns that unclaimed bodies are the only option that results in municipally paid funerals, it is possible that the City would experience an increase in the number of unclaimed bodies, which would

decrease the savings realized. Arranging a funeral with no next of kin is also far more resource intensive administratively.

Should Council wish to implement Option #2, the following recommendation would form part of Clause B found in Section 3.0 of this Report:

THAT Staff BE DIRECTED to provide legislated services only for assisted funerals for unclaimed bodies through a competitive process.

Option #3 – Competitive process for Funeral Provider with the Lowest Bid

This option would limit services to direct disposition, which can be a cremation or burial, with an option for a basic graveside, crematorium or offsite memorial service. Upon direction from Social Services Committee to pursue this option, staff would initiate a competitive procurement process. Compared with option #2, this option would still offer assistance with a very basic service for individuals on social assistance and low incomes, at a significant cost savings.

The competitive process would go forward with the expectation that the City expects to see a minimum 25% reduction from the maximum annual approved rate for assisted funerals. In order to qualify, proponents would be required to submit bids that are at or under the expressed rate.

Should Council wish to implement Option #3, the following recommendation would form part of Clause B found in Section 3.0 of this Report:

- i. THAT Staff BE DIRECTED to proceed with a competitive process to select a funeral service provider for Brantford-Brant.

Option #4 – Implement Funeral Service Packages with Defined Services and Maximums

This option defines four packages that can be offered to families with specific inclusions outlined. Inclusions have been reduced compared to the current status quo (Option #1) to generate modest cost savings while providing next of kin with more choice. The pricing structure brings Brantford's maximum rates into closer alignment with comparator municipalities. If this option is selected, all local operators will be given the opportunity to opt in by entering into a service contract with the City. Funeral operators will also have an option to opt out of providing assisted

funerals. With this option families will have an opportunity to enhance the services by an amount of up to \$1,000 in pre-approved upgrades that are contracted between the next of kin and the funeral home. Package options are defined below.

- Package A: \$5,000.00 Maximum – Burial/Memorial or Graveside/Same Day Visitation
- Package B: \$4,000.00 Maximum – Cremation/Memorial/Same Day Visitation
- Package C: \$2,500.00 Maximum- Direct Disposition – Burial
- Package D: \$2,000.00 Maximum – Direct Disposition – Cremation

****Note:** Cemetery costs are not included in packages

By moving to the above service packages, funeral expenditures would be reduced, although the amount of the reduction would be determined by which packages are selected most often.

Should Council wish to implement Option #4, the following recommendation would form part of Clause B found in Section 3.0 of this Report:

- THAT Staff BE DIRECTED to implement funeral service packages with defined services and maximums for assisted funeral services; and
- THAT Staff BE DIRECTED to establish a Vendor of Record with all qualified funeral service providers, according to the following service inclusions for Brantford-Brant.

Comparison of Proposed Options

The comparison chart below offers an at-a-glance view of some of the key considerations for each proposed option. Absence of a check mark denotes that the option does not meet the specified consideration.

Considerations	Option #1 Status Quo	Option #2 Unclaimed Bodies Only	Option #3 Competitive Process for Services	Option #4 Service Packages
Decrease to 2021 municipal budget		✓	✓	✓
Does not Exceed Legislative Requirements		✓		
Service Options for Funeral Provider				✓
Client Choice	✓			✓
Reduces Administrative Burden for Municipality		✓	✓	

Table 2-Comparison of Proposed Options

8.5 Staff Recommendations

Regardless of which above option is chosen by Social Services Committee, staff recommends the following changes to the current funeral policy:

1. Pay actual verified crematorium transfer fees and coroner office transportation fees, where required, additional to maximum approved rates;
2. Update relevant documents accordingly, including current assisted funeral fee schedules, by-law, funeral inclusions, and assisted funeral, burial and cremation policies.
3. Remove the annual automatic cost of living increase.

4. Instead of automatic cost of living increases, review average funeral costs in 2 years and adjust rates depending on inflation and availability of funding.

9.0 Financial Implications

It is difficult to accurately forecast net funeral expenditures due to the unpredictability associated with the number of requests and the fluctuating amount of funeral recoveries. However, the number of assisted funerals provided, both low income and social assistance, have grown steadily for the past 4 years. Based on 2019 actuals the City incurred almost \$650,000 in funeral costs.

Therefore, in the best assessment of staff, Option #1 will create a potential pressure to the 2021 municipal budget. Although the amount of the budget increase cannot be estimated until later in 2020, as a reference point the amount of \$27,000 was added to the 2020 budget compared with 2019.

It is expected that Options #2 through #4 will not result in a municipal budget increase.

10.0 Conclusion

With the exception of providing assistance for unclaimed bodies, the City is not legally obligated to assist low income residents with the cost of burial or cremation. This is a compassionate service that is offered to residents which honours the deceased person and prevents funeral costs from burdening surviving family members. Over the last decade since the last review of funeral services, traditional funerals have become less popular and simpler, and more affordable options are commonly chosen by people from all walks of life.

As directed by Council, staff has undertaken a review of funeral services and costing options. Although the City's current maximum assisted funeral rates are significantly higher than the average paid in other municipalities, low income residents are receiving funerals in other communities at these lower rates. As a result of a thorough review of Municipal assisted funerals, Staff has provided Social Services committee with a range of possible options which include:

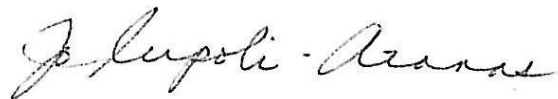
- Retaining the current 2009 framework and pricing structure;
- Providing the minimum legally required service, disposition of unclaimed remains;

-
- Two more moderate options which bring current rates and service inclusions more in line with comparator municipalities, and achieve cost savings while providing dignified and respectful funeral celebrations for deceased residents of Brantford-Brant.

Should Council approve one of the proposed options for assisted funeral service delivery and recommended changes proposed by Staff, documents including current assisted funeral fee schedules, by-law, funeral inclusions, and assisted funeral, burial and cremation policies will be updated accordingly.



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Social Assistance and Homelessness
Services



Jo Cupoli-Atanas, General Manager
Health and Human Services



Becky Lala, Manager
Social Assistance and Homelessness Services

Attachments (if applicable)

Appendix A – Indigent Funeral By-Law 41-2013

Appendix B – Assisted Funerals Presentation

In adopting this report, is a by-law or agreement required? If so, it should be referenced in the recommendation section.

By-law required ☒ yes ☐ no

Agreement(s) or other documents to be signed by Mayor and/or City Clerk ☐ yes ☐ no

Is the necessary by-law or agreement being sent concurrently to Council? ☐ yes ☒ no