



CITY OF AUSTIN
CEMETERIES
EST. 1839

CEMETERY OPERATIONS

Perpetual Care Fund

Parks and Recreation Board Presentation

July 2022

MISSION STATEMENT | Cemetery Operations strives to honor the past, present, and future of Austin's sacred municipal burial grounds with integrity, empathy, and respect.

VISION STATEMENT | Cemetery Operations utilizes available resources to provide the best quality of service and care to our diverse community and historic cemeteries.

The Founding of Historic Cemeteries



- **24 FTE's, 6 administrative, 18 grounds**
- **200+ acres**
- **400+ burials/year**
- **80,000 burials total**
- **Spaces sold in two**
- **Approximately 30 acres of undeveloped land at Austin Memorial Park for future burials**

What Is The Perpetual Care Fund(PCF)?:

The Perpetual Care Trust Fund ("PCF") was created by City Council in **1983** pursuant to the statutory predecessor of:

➔ Texas Health and Safety Code Chap. 713, Subchap. A.

➔ The PCF is currently codified in City Code Chap. 10-1.

The purpose of the Fund is to assure the perpetual maintenance of the cemetery lots and graves in the City cemeteries; invest and reinvest money in trust accounts in the Trust Fund; and apply the income earned by the Trust Fund that is in excess of the amount necessary to maintain the individual cemetery lots or graves to the beautification of the city cemeteries generally.



Perpetual Care Fund History:

1959

- Council established PCF, directing that 25% of the sale of each cemetery plot be deposited in the Fund. This practice was discontinued in 1982.

1982

- Council transferred PCF funds into Cemetery Endowment Fund(established in 1982.

1985

- City became the trustee for ten small, individual trusts transferred from Texas Commerce Bank and Bank One into the PCF. Based on existing records, it is unclear whether these are the only individual trusts – i.e., trusts established for the maintenance of a specific lot or gravesite -- that were ever created pursuant to Chap. 10-1.

1990

- Council merged Cemetery Endowment Fund into PCF.

What Is The Current Balance of The PCF:



\$1 million (Current Principle)



\$10,000 (Interested Yielded and Deposited In GF)

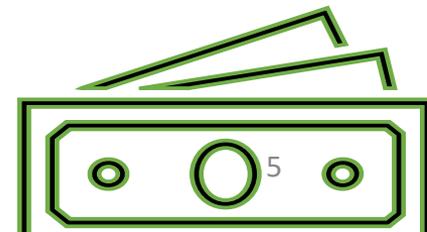


\$3.3 million (Current Budget Funded by GF)



\$330 million (Amount needed in PCF to be solvent)

Meanwhile, deferred maintenance at the cemeteries remains a significant issue.



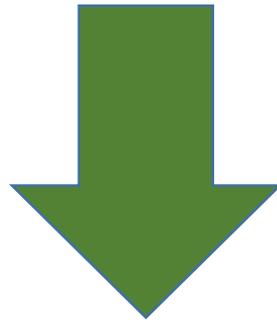
Recommendation For Future Action:

Recommend to the Austin City Council to support an amendment to State law to allow the City to dissolve the Fund and use the principal for general cemetery maintenance and capital improvements.



QUESTIONS?

Backup Slides



Texas Cities That Have Dissolved The PCF:

There is ample precedent for such an amendment: in 1989, Health and Safety Code Chap. 713 was amended to add § 713.008, bracketed to a small municipality and permitting that municipality to “abolish [its] perpetual trust fund for a cemetery and use the fund, including both principal and interest, for permanent improvements to the cemetery.” Section 713.008 has been amended several times since then, each time to bracket another city, and during the current Legislative session, at least two bills were introduced that would do the same.

Cities of Nacogdoches and Cuero regarding 2019 legislation allowing them to dissolve their trusts. Both cities passed unanimous resolutions in support of the legislation.

Nacogdoches (HB 2198 by Clardy):

- March 2019 resolution supporting Rep. Clardy’s bill to dissolve trust
- 2 ordinances passed in December 2019 dissolving the trust and amending the budget accordingly

Cuero (HB 2812 by Morrison)

- 2018 letter to Rep. Morrison requesting that she carry legislation allowing Cuero to terminate the trust
- March 2019 minutes indicating that Cuero Council passed a resolution in support of the legislation
- 2 ordinances passed in September 2019 abolishing the trust and amending the Code of Ordinances

City of Austin Challenges:

Due to recent community member inquiries, PARD has examined the cemetery PCF. Through this examination, PARD realized the management and administration of the PCF has had a complex history. The challenges associated with the fund include:

- Historically deficient record keeping;
- City code procedures that had not been followed for decades, long before PARD took over management of the cemeteries;
- City code outlined procedures that are antiquated and non-reflective of the current operational structure;
- Lack of structure for accounting of plot specific maintenance investments;
- Lack of understanding of the fund's original intent and how this corresponds to modern day regulations; and,
- Lack of understanding of the benefits of the perpetual care fund.