

## 6. REQUEST FOR REIMBURSEMENT OF CEMETERY FEES

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The purpose of this report is to consider a request for waiving cemetery fees charged to a local funeral director, as a result of the company's inability to recover funeral expenses from four clients.

The funeral director concerned has requested that the City Council reimburse the company for costs of interment related to four clients. This request has resulted from the company being unable to collect the funds from its clients over a period of four to eight years via a debt collection agency. The total sum requested for reimbursement is \$3,567.28 which includes \$1,912.99 for plot purchases and \$1,654.29 for interment fees.

Under the former Christchurch City Council Bylaw 110 (1980) Cemeteries, Section 5 (iv) b gives a discretion to the full Council to remit all or part of the fees charged.

The relevant sections state:

- (iv) (a) *No such warrant shall be issued until there shall have been paid the fee for interment as prescribed in the First Schedule hereto. In the case of an interment under the Management or control of a funeral director, the Town Clerk may, at his discretion, waive the foregoing requirement as to prior payment and charge the cost of the same against the funeral director concerned on the basis of a monthly account, or such period as the Town Clerk decides,*
- (b) *Where a registered funeral director satisfies the Council that after a period of three (3) years he has not recovered from the estate of a deceased person or from any other source, any fees paid by the funeral director to the Council, the Council may by resolution refund to the funeral director the whole or any part of the said fees.*

In accordance with section 5(iv) the funeral director is sent a monthly account for the plot and interment fees incurred for funerals arranged during the month. The funeral directors pay the account and seek payment from the families concerned.

It is the funeral director's responsibility to collect payments from families and a non-payment by a family would constitute a bad debt against the funeral director's business. If this occurs the funeral director may wish to instigate debt recovery procedures.

In these instances the Council has met the obligations of its contract with the funeral director by supplying exclusive rights of burial in perpetuity in appropriate cemetery plots and providing grave digging and interment services.

In all cases the funeral director controls and arranges the complete burial service and deals exclusively with the family members. The Council has no involvement with the funeral directors' clients. Therefore it seems incongruous to have a provision in the Cemetery Bylaw to refund the funeral director when a bad debt occurs.

However, this provision does currently exist and the Council can exercise its discretion in considering this request. As this was clearly a business transaction between the funeral director and the four clients where the Council had no involvement in or ability to influence the transaction it is difficult for the Council to accept any responsibility for the debt incurred.

This being the case it is considered that the request for reimbursement of unpaid burial fees should be declined.

**Recommendation:** That application to waive cemetery fees be declined.