


COUNCIL COMMUNICATION

	Number:	23-335	Meeting:	July 17, 2023
	Agenda Item:	17	Roll Call:	23-0982
	Submitted by:	Benjamin R. Page, Park and Recreation Director		

AGENDA HEADING:

Accepting transfer of ownership and control of Des Moines Masonic Cemetery from Cemetery Board of Trustees and dedication of the property located at 1550 48th Street as Cemetery.

SYNOPSIS:

Staff recommends approval of the following actions being requested by Des Moines Masonic Cemetery:

Acceptance of the transfer of ownership, management, and operations of the Des Moines Masonic Cemetery, located at 1550 48th Street, from the Masonic Cemetery Association to the City of Des Moines and dedication of said property as Cemetery land. All outstanding costs and expenses will be paid, and remaining funds in the operating account will be transferred to the City of Des Moines. Transfer of cemetery records, perpetual care registry, maps, lot sales records, electronic files, receipts, and burial records will be to the Parks and Recreation Department which will assume the responsibility of the operations and management of the cemetery. In acceptance of the Masonic Cemetery, the City of Des Moines has obtained signed agreements that include: Asset Purchase Agreement, Bill of Sale, Assignments of Agreements, Voluntary Offer to Purchase Real Estate, and Acceptance (Total Acquisition).

This action will further authorize and direct the Parks and Recreation Department and the Real Estate Division to complete due diligence on the property, asset transfer and to close on the business and property acquisition.

FISCAL IMPACT:

Amount: Operating subsidy of approximately \$153,000 annually. Cemetery management estimates annual expenses to be approximately \$303,000 and annual revenue to be approximately \$150,000.

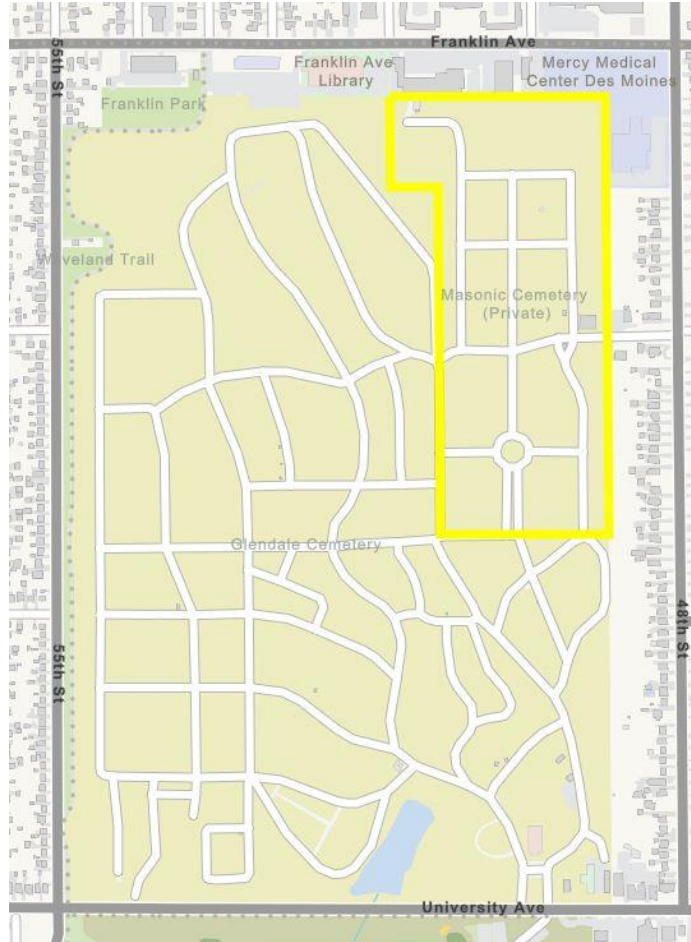
Masonic Cemetery is a Perpetual Care Cemetery, and a new Perpetual Care Maintenance (PCM) Fund has been established with a fund balance of \$732,537.29 transferred by the Masonic Cemetery Association on June 30, 2023, to the City.

Funding Source: Fiscal Year 2024 Operating Budget, Parks and Recreation Department, Cemeteries, G001 PK200220, Page 151.

ADDITIONAL INFORMATION:

- The Des Moines Masonic Cemetery was founded in 1920 and has over 12,500 interments. The cemetery is located at 1550 48th Street in Des Moines and covers 40 acres. The Masonic Cemetery Association was reorganized in 2017 with two Masonic Lodges controlling the management and assets of the cemetery. Over time, operational expenses such as ground maintenance, burial service and labor has exceeded the Masonic Cemetery's operating revenues.
- The Iowa Cemetery Act states when a cemetery is abandoned, falls into disrepair or is insolvent, it goes into receivership to the Iowa Insurance Division and is transferred to the nearest municipality. The option of voluntary receivership was added to Iowa Code 523I for crisis situations when the cemetery is not financially viable, and it is just a matter of an unknown period before it becomes insolvent.
- The Masonic Cemetery Association has requested transfer of ownership, management, and assets to the City of Des Moines through a voluntary transfer, rather than the inevitable receivership. The transfer process is recommended by the Iowa Insurance Division which oversees Perpetual Care Cemeteries through the Iowa Cemetery Act.
- Receivership is a lengthy process and would have depleted the Masonic Cemetery's Perpetual Care Fund significantly by increasing cemetery deferred maintenance of buildings, equipment, and roads. The asset transfer agreement offers protection from unknown liabilities and issues that a receivership would have presented. Voluntary transfer allows the City to assist with and control the transfer process, use due diligence in reviewing assets and property interests prior to transfer of cemetery ownership to the City, and provides symmetry that will allow for some economies of scale and cost saving by use of a centralized office, inventory of burial options, and equipment. In summary, the Masonic Cemetery forced upon the City via receivership is inevitable, so for enhanced stewardship and to reduce depletion of existing financial resources, the voluntary transfer of ownership is the most viable option.
- Over the past several months, City staff have been performing a full examination of the Masonic Cemetery infrastructure and operations through a Letter of Intent granting access to gain a clearer understanding of the finer details of what will be transferred.
- To eliminate the current deficit and retire all debts, the Masonic Cemetery Association are disposing of equipment and the house plus its accompanying parcel located at 1550 48th Street that served as the Masonic Cemetery's office. These assets are not needed by the City and will thus not be included in the transfer of assets.
- The Masonic Cemetery's maintenance building is also not needed and provides no value, so will be removed by the City at a later date.
- The remaining available spaces at the Masonic Cemetery that will be able to be sold by the City after the transfer is complete. Currently, the cemetery performs 50-70 interments annually. There are approximately 2,591 inground spaces available and two (2) other burial options that include 240 additional spaces. The mausoleum has 249 interments, 72 niches and 168 spaces, for burial crypts available for sale.

Map of Glendale Cemetery and Masonic Cemetery (outlined in yellow)



Location of Masonic Cemetery Office Parcel Sold to Cover Debts



Map of 1544 48TH STREET, Geoparcels 7924-31-401-030

PREVIOUS COUNCIL ACTION(S): NONE

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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