

The MAC Quarterly

Summer 2016

The Expenses Will Never End, But Some Revenue Sources Will

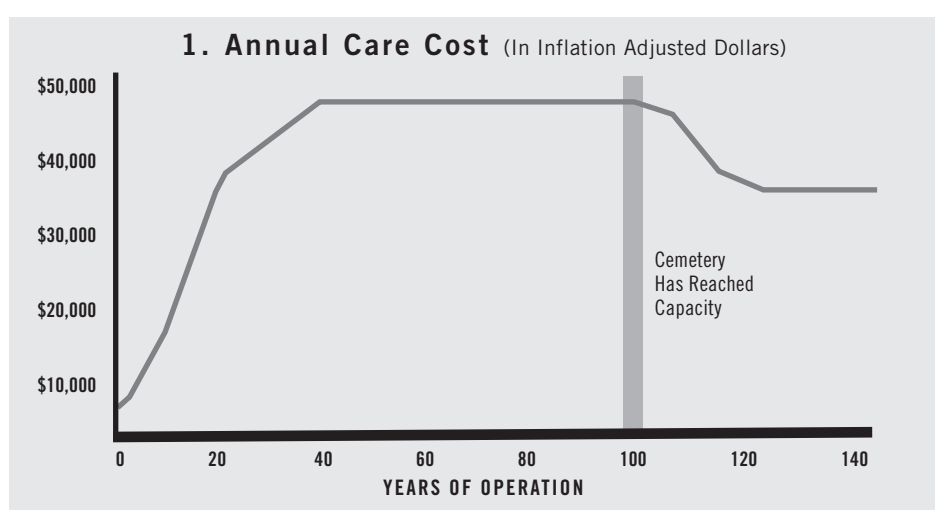
By Hayden Burrus

Editor's note: *This is the second article in a three-part series about how to set up and maintain a perpetual care fund.*

The most difficult issue to deal with in setting up and maintaining an adequate perpetual care fund is the mismatch of perpetual care costs, cemetery revenues and perpetual care fund revenues.

First, let's look at **perpetual care costs**. They start out very low—cemetery grounds have not been developed, there is very little traffic on the grounds, and all cemetery property, landscaping and structures are new. Over time, costs increase for a variety of reasons, including inflation, increased cemetery usage (both in number of structures and number of visitors) and the aging of existing structures. During this phase, costs may increase significantly more rapidly than inflation.

At some point, cemetery use stabilizes and perpetual care maintenance requirements stabilize as well. During this period, increasing cemetery traffic forces costs to rise at a rate slightly higher than inflation. These factors lead to perpetual



care costs doubling every decade or two.

As a cemetery reaches build out and beyond, the number of visitors to the cemetery slowly declines. This decrease in traffic may slightly lower perpetual care needs. During this time, costs increase at a marginally lower rate than inflation. Finally, sometime after cemetery build out, perpetual care requirements stabilize again. From this point forward costs will rise at the rate of inflation. Graphs 1 and 2 (shown on page 6) show how cemetery costs may develop over time, both before and after considering the effects of

inflation.

Next, let's look at **cemetery revenues**. Revenues start out at zero or even less than zero, if startup costs are significant. Very soon after a cemetery begins operating, cemetery sales begin, and revenues rise to a value far in excess of costs.

Soon, cemetery sales reach a steady state. On this side of the balance sheet, inflation is the cemetery's friend. Inflation allows cemetery pricing and revenues to continue rising until the cemetery approaches build out. During most of this period,

(continued on page 6)

IN THIS ISSUE

FEATURES

- The Expenses Will Never End, But Some Revenue Sources Will* **1**
There Be Monsters Out There **3**
Bill Sanders Receives the 2016 Theodore Wirth Award for Excellence in Parks **6**

DEPARTMENTS

- Word from Our President* **2**
Customer Service Tips. **12**

A Word from Our President...

You have an issue with the cemetery grounds? Let me address that ...

We've all been faced with cemetery complaints. "The chain on my vase is broken," "The roads are too bumpy," and, of course, everyone's favorite "The grass is too long." I've recently been faced with a written complaint much like those listed above. I thought you would all enjoy reading how I chose to handle it.

Dear Mr. Anderson,

Thank you for your interest in the cemetery. I can tell by your letter that you are just as passionate and interested in the upkeep of the cemetery as we are. I was sorry to read that you were disappointed during more than one of your recent visits, especially because I know how much effort goes into maintaining the grounds while keeping the cemetery finances in sound condition.

Twice in your letter you refer to the cemetery as a "beautiful environment" and a "lovely area." I couldn't agree more. One advantage we have at Forest Lawn is that we have much natural beauty to work with. The rolling hills and the two bodies of water provide good examples of this and set us apart from many cemeteries in the area. But as you also state, it is the "care of the cemetery" which has alarmed you.

You did not indicate a specific area of the cemetery that disappoints you so I will reply under the assumption that you are referring to the entire property. However, because I take your comments so seriously, I did take the time to pull all records with your last name and visit those locations in an effort to put myself in your place and perhaps see things from your point of view. I was not able to see things as you did. As I walked out the front of our administrative building, I was greeted by a beautiful blue sky and dense green grass (which was recently fertilized and treated for broadleaf and crabgrass). As I looked over our gorgeous pond and its starburst design fountain flowing in all of its glory, I could see our grand community mausoleum with its Bethal White granite exterior and marble interior sitting underneath a brand new Firestone TPO roof, the best that money can buy. The pond is treated five times annually to prevent duck weed and other unsightly growth that would curtail the clarity and color of the water.

As I carried on, I looked to the east where the rising sun reflected off of the morning dew that was on the recently manicured lawn. The shadows were long off of the 100 year old monuments that stand stoically, like proud soldiers on guard, in

(continued on page 10)

Mark Your Calendar

MAC Annual Conference – September 21-23, 2016, at Grand Casino Hotel in Hinckley, Minnesota. Watch your mail for a convention packet in mid- to late August.

Dues Statements

Dues statements are enclosed with this newsletter. We appreciate your prompt payment. Thank you!

The MAC Quarterly

EDITOR

Ronald Gjerde, Jr.

MANAGING EDITOR

*Julia Gillis
(Nelson Communications)*

CONTRIBUTING WRITERS

Michael Sharkey, Esq., Hayden Burrus

DESIGN

John Henry (John Henry Design)

The MAC Quarterly is the official publication of the Minnesota Association of Cemeteries (MAC). Subscription is a benefit of MAC membership. Editorial: We welcome news releases and ideas for articles. Contact Ron Gjerde (see address and phone below). Advertising: For information, contact Ron Gjerde, Minnesota Association of Cemeteries, 3600 Hennepin Avenue South, Minneapolis, MN 55408

Telephone: 612-822-2171

Fax: 612-822-0575



Minnesota Association of Cemeteries

PRESIDENT

*Kari Hubbard
Forest Lawn Memorial Park
Association*

VICE PRESIDENT

*Karen Lentz
Evergreen Cemetery Association*

SECRETARY/TREASURER

*Ronald Gjerde, Jr.
Lakewood Cemetery Association*

There Be Monsters Out There: Caution for Wisconsin Funeral Homes Who Work With Out of State Funeral Operators

By Michael D. Sharkey, Esq.

Editor's note: *This article was originally published in the Wisconsin Funeral Directors Association's publication The Spotlight Express in Feb. 2016. Though it speaks directly to Wisconsin funeral directors, we are reprinting it to keep you informed of happenings in our regional industry.*

Over the course of the last year WFDA Executive Director Adam Raschka and I—with the help of the Membership—have been actively identifying funeral operators from outside Wisconsin about whom we have concerns regarding ethical business practices. These operators can be either trade firms or full service funeral homes. These funeral operators call Wisconsin firms for both ship-in and ship-out work. We have become concerned that a few out of state firms are not operating at or above the minimal ethical standards for funeral service. The vast majority of out of state funeral firms are honest, dedicated, and ethical businesses and I encourage all WFDA Members to develop relationships with those firms. However, I write to caution the WFDA Membership that there are a few questionable operators who will attempt to take advantage of a Wisconsin funeral home's trusting attitude. When dealing with an out of state funeral operation that you do not have prior experience with, caution and due diligence are your best approach.

Trust But Verify

President Ronald Reagan popularized the adage "trust but verify" during the waning stages of the Cold War. The concept was to take the Soviets at their word, but then make certain their word was actually trustworthy. The same advice is perfect for WFDA Members when dealing with out of state firms. Many of you have long standing relationships with out of state firms—they are trusted resources and valuable friends who have earned your respect. In contrast, a call from an out of state firm you have

not heard of or worked with in the past calls for verification. Unfortunately, some disreputable out of state funeral operators will go so far as to claim to be a Wisconsin-based firm. Some will use names that sound like Wisconsin firms, or claim that they know so-and-so who will vouch for them. It is these few bad apples that are causing problems with family expectations, billing overages, and in some cases not paying the Wisconsin funeral homes for their work.

When a funeral home in Wisconsin gets an out of state ship-in/ship-out call, the funeral director should make inquiries regarding the out of state firm. Start with checking the firm's website. While not a panacea for trustworthiness, any brick and mortar funeral home that does not have a website in 2016 should be viewed with suspicion. Ask for the firm's facility license and the license number of the funeral director on the other end. Most states have on-line licensee directories that can be checked in just a few

(continued on page 4)

For All Your Cemetery's Legal Needs, Call Michael D. Sharkey

Michael D. Sharkey is both an attorney and a licensed funeral director with expertise in funeral, cemetery and crematory legal issues. Attorney Sharkey leads the Mortuary and Cemetery Law Practice Group at Cousineau McGuire and has the knowledge, experience and resources to handle permitting/zoning issues, litigation, both individual and mass disinterment/reinterment/exhumation projects and risk management practices for your cemetery.

Michael D. Sharkey
952-525-6990
mds@cousineaulaw.com

Cousineau McGuire

Thomas Thul
651-755-8394

TESSMAN COMPANY SERVING THE GREEN INDUSTRY SINCE 1950



Turf Seed, Fertilizers, Chemicals, Seed Establishments, Ice Melt, Aquatics, Greenhouse and Nursery Supplies. If it comes in a bag or jug, and you use it to maintain or grow, then please give me a call. Easy and hassle free shipping throughout Minnesota. The Tessman Company—family owned. Proud to support MAC. Thank You!

There Be Monsters Out There: Caution for Wisconsin Funeral Homes Who Work With Out of State Funeral Operators *(continued from page 3)*

minutes. Check and see if the State Board for that jurisdiction has listed any disciplinary actions against the firm. If the out of state firm claims that a respected Wisconsin funeral home will vouch for them follow up and make sure that is actually true. As an Association of Members looking out for each other, we are the best bulwark against those who may try to defraud us. Just a few minutes of your time dedicated to due diligence can save you professional embarrassment with an angry family and possibly save thousands in lost revenue.

Don't Be Afraid to Ask for Money Up Front

One of the hardest jobs any funeral director has is to ask a family for money up front. In the situation in which an out of state firm requests your ship-in/ship-out services, you are working for them—not the family. Requesting payment (via credit card, wire transfer, etc.) up front from an out of state funeral operator with whom you have no relationship is just good business. We are aware of several out of state operators who have had Wisconsin funeral homes do work for them (both ship-in and ship-out work) that have not paid for the work. Do not let this happen to you.

WFDA's Efforts to Combat This Problem

As General Counsel for WFDA, and in consultation with the Board of Directors and Mr. Raschka, I have made official Complaints to the appropriate Wisconsin state agencies when we have actionable information regarding out of state providers whose ethics and/or business practices are concerning. If you have had a legitimately bad experience with an out of state firm that engaged in questionable ethics or business practices (which is very different than poor quality work) consider contacting WFDA so that we know about the provider.


Conclusion

The vast majority of our funeral service friends from other states are reputable and decent folks who care about families, pay their bills, and provide excellent service to the grieving public. Remember that the problem lies with just a few who have damaged the collegiality and general level of trust among our profession. When dealing with an out of state funeral operator that you do not have a relationship with, check on them to verify they are who they claim to be, don't be afraid to request payment for your services up front, and remember that funeral service is judged by our collective actions. ➡

Michael D. Sharkey, Esq. is General Counsel to the WFDA and is licensed as both an attorney and funeral director in Minnesota and Wisconsin. He is an Officer at the litigation firm of Cousineau McGuire, chartered in Minneapolis. He can be contacted at 952-525-6990 or mds@cousineaulaw.com.

AdmiredLife

GPS Enabled Online Memorials



www.AdmiredLife.com

We are proud to say this system was built from the ground up in the Twin Cities. Please call Scott Neal in our Minnesota office at (651) 653-3952 to arrange for an onsite demonstration.

www.paradisepictures.com/admiredlife

650 Thunderbolt Street, Chico CA 95973 | Made in the USA



▶ ▶ ▶ *Just* IMAGINE...

if your cemetery was viewed as the destination in your community for families who choose cremation. With your vision and Matthews' **simple 4-step process**, this can be a reality.

PLAN IT ▶ ▶ ▶ DESIGN IT ▶ ▶ ▶ BUILD IT ▶ ▶ ▶ SELL IT



CREMATION
DESTINATIONS™

from
Matthews
INTERNATIONAL
CEMETERY PRODUCTS

For more information about getting started with your Cremation Destination, contact us today at:
CremationDestinations@matw.com or 844.642.7336

Introducing The Eickhof Ossuarium

With the potential to bring in
\$620,000.00
to your cemetery fund.

Example Return on Investment

96 companion niches sold at \$2,500 each
475 ossuary spaces sold at \$800 each
potential income \$620,000



EICKHOF

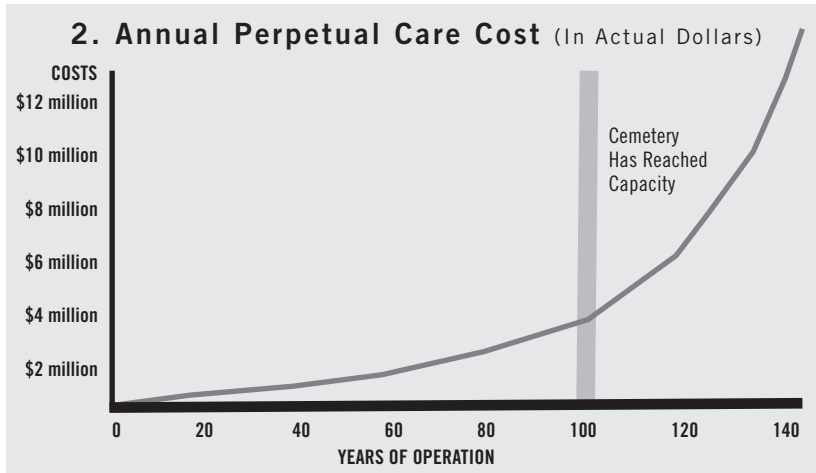
Call us for more information

MADE IN MINNESOTA

© 2016 Eickhof Columbaria Inc.

www.eickhofcolumbaria.com

800.253.0457



Over the past 20 years, annual bond returns ranged from -0.7 percent to 23.6 percent (source: Lehman 1-5 year government/ corporate bond index, 1978-1999). During the same period, stocks have experienced even more variability, ranging from -6.2 percent to 36.4 percent (source: Wilshire 5000 Total Market Index, 1978-1999).

Since only a portion of the investment returns of a perpetual care endowment fund is available to pay for cemetery costs, the variability in investment return directly results in an extremely uncertain and variable available cash flow to cover the rising costs of perpetual care.

Finally, at buildout, cemetery revenues approach zero very rapidly. Costs, of course, continue to rise forever.

rising revenues keep pace with rising costs. Finally, at build out, cemetery revenues approach zero very rapidly. Costs, of course, continue to rise forever. A graph of the long-term revenue trends for a cemetery may look as charted in Graph 3 (shown below).

Graph 4 highlights the difference between perpetual care cost and revenue patterns. Obviously, during the early phases of a cemetery's life cycle, the income statement can look very good. However, if the cemetery does not set aside enough money for the latter stages of its life cycle, the condition of the income statement can change very rapidly. It is in the cemetery's best interest to do this planning early, both to stabilize its income statement and fulfill its social obligation of ensuring that its grounds will be maintained in perpetuity.

Graph 4 does not tell the full story. Investment returns are never known in advance, and returns will vary from year to year. This is a significant issue for investment income as well as capital gains.

A Few Examples

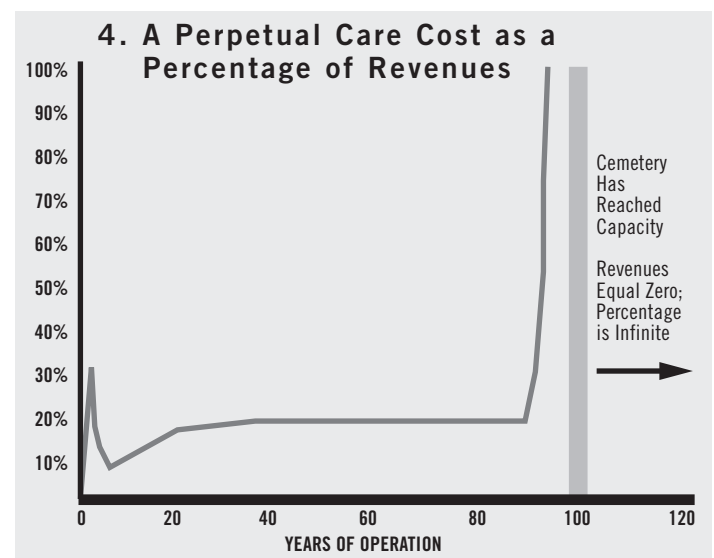
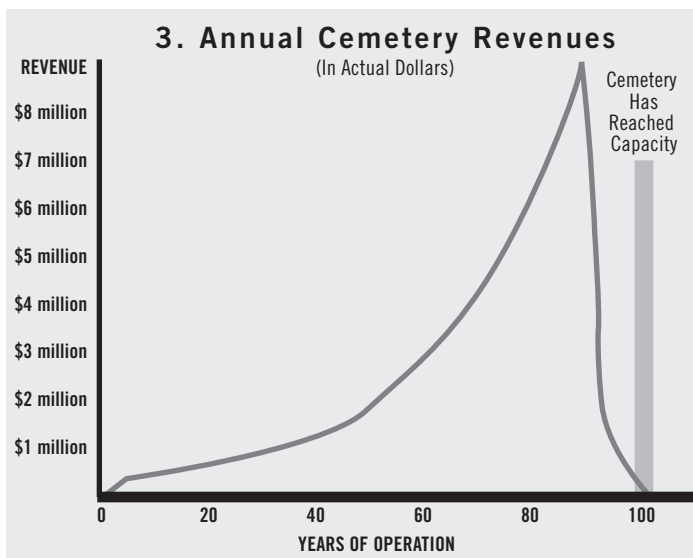
Next, I will move on to discuss specific perpetual care fund issues related to three hypothetical cemeteries:

- **Millennium Cemetery:** A new cemetery established on January 1, 2000.
- **Active Cemetery:** A cemetery very far away from buildout and with an active and successful sales force able to increase revenues each year.
- **Historic Cemetery:** An older cemetery needing restoration improvements and less than 10 years from buildout.

Millennium Cemetery

Millennium Cemetery is in the best position to adequately fund perpetual care. Its brightest years in terms of revenue collection are still in the future. Specific endowment care fund issues for Millennium Cemetery are:

- **Revenues and costs are more uncertain.** Millennium Cemetery does not have a historic accounting record on which to base revenue, cost and sales projections. These projections must



come from educated estimates made by cemetery managers. To compensate for the significant uncertainty in these projections, an actuarial analysis of this cemetery should use conservative estimates (low values for revenues and sales growth, high values for costs). Also, actuarial projections should be revisited more frequently and updated as specific Millennium Cemetery information becomes available.

- **Initial perpetual care costs will be higher than revenue from the fund.** Even a vacant cemetery requires some perpetual care maintenance. During the early portion of a cemetery's life cycle, a cemetery has very little money in its perpetual care fund to cover its fixed endowment care costs. If the funding of the perpetual care fund could be run as a business, it would be best for the fund to borrow money to help pay for its perpetual care costs during the earliest phase of the cemetery's lifespan. Since this cannot be done, Millennium Cemetery can expect to pay for some perpetual care costs from its general operating funds during this time.

- **After sales activity begins, perpetual care contributions may seem excessive.** One or two years after Millennium Cemetery begins operations, the money going into the perpetual care fund may seem too high because perpetual care costs are probably significantly less than the revenues generated by cemetery sales. The perpetual care fund is growing rapidly as the total number of plots sold doubles and re-doubles. This is to be expected. The perpetual care fund contributions being made today must grow inside the fund to help pay for perpetual care costs after the cemetery is filled.

Active Cemetery

Depending on its history of perpetual care fund planning and follow-through, Active Cemetery's perpetual care fund may be in excellent financial condition at this point. Through analysis of a long history of accounting and financial statements, Active Cemetery has the greatest ability to accurately project its future cash flow. It also has the greatest ability to influence the future solvency of its perpetual care fund. Specific endowment care fund issues for Active Cemetery are:

- **The cemetery needs to have adequate funds available for perpetual care if the cemetery were to close immediately.** This concern is not an academic one for cemeteries that will continue operations until buildout. If adequate funds are not currently available for perpetual care, future perpetual care contributions must subsidize the perpetual care for past cemetery sales. This situation should be remedied as soon as possible. A common cause of under-funded perpetual care funds for many of today's active cemeteries is that they did not start setting aside assets for perpetual care until the cemetery had been operating for many years. In these cases, current contribution rates may be "fair," but they may not be enough to produce the income needed to cover

all of the cemetery's perpetual care costs.

Other causes of inadequate—or excessive—funds available for perpetual care include: incorrect contribution rates, unexpectedly high or low investment return, unexpectedly high or low cemetery sales and unexpected perpetual care costs. Two ways to address over- or under-funding are making a one-time deposit (or withdrawal) to the cemetery perpetual care fund, and adjusting future contribution rates.

- **Current funding rates must be correct.** Active Cemetery should periodically examine its financial condition in order to ensure it is on course to have enough perpetual care funds when it reaches build out. Funding rates should be adjusted immediately whenever projected funds at build out are believed to be inadequate.

- **Current balance of perpetual care fund may seem excessive.** Active Cemetery has seen its perpetual care fund balance increase rapidly for many years. Its sales are strong and are increasing every year. Maintenance is routine, and its costs are low relative to sales. There may be concern from consumer groups, the cemetery's board of directors or even the IRS that the current perpetual care fund balance is excessive.

But this fund must last forever; though it appears excessive, it may not be. The best way to address such concerns is through information. A detailed actuarial analysis projecting perpetual care fund cash flows coming from contributions, revenues, investment return and withdrawals is the best way to show others a true picture of the condition of the perpetual care fund.

Historic Cemetery

The managers of Historic Cemetery are probably now actively planning for the end of the cemetery's time as a revenue generator. Of course, this will not eliminate its obligations to maintain the cemetery. Soon, perpetual care funds will not be supported by sales, but this should not be a problem if Historic Cemetery has planned and actively encouraged the growth of its perpetual care fund. Specific perpetual care fund issues for Historic Cemetery are:

- **The cemetery should have adequate funds available for perpetual care if the cemetery were to close immediately.** This is now an immediate and pressing concern. In a few years, it will no longer be able to subsidize perpetual care costs with sales, nor will it be able to feed its endowment care fund. Soon the only endowment care fund activity will be investment return gains and perpetual care costs. Even at this point, investment return should always be ahead of costs. Each year, perpetual care costs will continue to rise due to inflation. Each year, therefore, investment return must also rise. The only way to do this is through retained investment returns.

(continued on page 11)

Bill Sanders Receives the 2016 Theodore Wirth Award for Excellence in Parks

The Minnesota Chapter of the American Society of Landscape Architects has awarded Bill Sanders the 2016 Theodore Wirth Award for Excellence in Parks. Sanders is a senior landscape architect with Loucks, a multidisciplinary consulting firm that provides planning, civil engineering, land surveying, landscape architecture, and environmental services to clients.

“This is a tremendous honor from such an important and respected organization,” said Bill Sanders. “I share the society’s continued commitment to promote and raise awareness of quality design, planning, and preservation work that makes an impact on our community. This is also an important award for Loucks and our amazing team of experts who bring passion and expertise to each project.”

The Theodore Wirth Award for Excellence in Parks is presented to an individual, group, organization, business, governmental or non-governmental agency who has been influential in the planning, design, development, administration, maintenance or preservation of a historic site, landmark or cultural landscape in a park, park system or wildlife preserve.

Sanders received the 2016 Wirth Award for his more than three decades of public service to the Capitol Area Architectural and Planning Board maintaining the high standard of design for public and private projects in the Capitol Area, and for his overall distinguished body of work in park design including the design and planning work of the Irvine Park Historic District in Saint Paul and the Minnehaha Park renovation plan in Minneapolis.

“Bill’s work and his dedication to the Capital Area Architectural and Planning Board are remarkable,” said Gina Bonsignore, ASLA and President of the Minnesota Chapter of the American Society of Landscape Architects. “This award is a way to recognize the amazing professionals in our field who not only do great work to serve their clients, they also give back to this community through the time and expertise they share.”

About Bill Sanders

Sanders is an award-winning landscape architect with more than 50 years of experience in urban, streetscape, park and recreation, commercial, and residential planning and design. For 30 years, he served as president of Sanders Wacker Bergly, Inc., which was acquired by Loucks in 2013. For 30 years, Bill was the planning and design advisor to the Capital Area Architectural and Planning Board. In this role, he helped create and facilitate solutions to complex urban design challenges within the planning districts surrounding the State Capital building. He also served for 14 years as the supervisor of urban design with the Saint Paul Housing and Redevelopment Authority and the City of Saint Paul. He has established a high standard of excellence

as the designer and project manager for high-impact, high-visibility projects, many of which link historic and contemporary landscapes.

Bill has provided outstanding professional leadership through his activities on prominent public projects throughout the State that includes the Governor’s Residence Council and the Greening of the Great River Park project. Throughout his career, Bill has been actively involved in MASLA, serving as President, Trustee, Board Member, and chair of numerous committees. Bill graduated from Iowa State University in 1965 with a Bachelor of Science degree in landscape architecture.

About Minnesota Chapter of the American Society of Landscape Architects (MASLA)

MASLA is the Minnesota Chapter of the American Society of Landscape Architects (ASLA) which represents nearly 300 professionals in the landscape architecture profession through advocacy, education, communication, and fellowship. ASLA, the national organization, has more than 18,000 members and 48 chapters, representing all 50 states, U.S. territories, and 42 countries around the world.

About Loucks

Loucks is a multidisciplinary professional consulting firm that inspires owners, developers and communities to make the best use of their land. Specific offerings include planning, civil engineering, land surveying, landscape architecture, and environmental services. The firm serves local, regional, and national clients, with a focus on corporate, commercial, healthcare, housing, industrial, parks and recreation, and urban design projects. Loucks’ portfolio includes an ideal blend of private and public work, which helps the firm serve both sectors better. Established in 1976, the firm has offices in Maple Grove and Saint Paul, and is a qualified contractor for the State of Minnesota. ➡

For more information, please visit loucksinc.com.



COLDSPRING®

► A proven partner at every stage

Elegant, lasting memorials are just one way ColdSpring helps you take care of the families you serve. You can expect complete support from start-to-finish.

ColdSpring offers a wide variety of products and solutions including:

- Bronze on granite memorials
- Columbarium structures
- Cremation memorials
- Glass Front Niches
- Mausoleum design through construction
- Upright memorials & grass markers
- Granite benches
- Precast Foundations

► For more information visit coldspringusa.com or call 800.328.5040

© 2016 ColdSpring. All Rights Reserved.



We'll help you make the RIGHT DECISIONS...



For Precision **MGC** *Craftsmanship!*

MURPHY GRANITE CARVING, INC.

1-800-818-5836

www.murphygranite.com

(continued from page 2)

the old section of the cemetery. The cemetery roads, which were professionally swept by a machine in preparation for Memorial Day wound their way up the east peak and down into the valley where another treated pond with a fountain sits alongside professionally landscaped gardens. The roads are tarred, seal coated and patched as necessary.

As I traveled north to the graves of Elmer and Leyla Anderson, past the 23 pear shaped Linden trees which line our welcoming main entrance—which are chemically fed and treated for insects multiple times a year—I saw two employees, one on each of our \$13,000 Toro lawn mowers with 72" decks each and three cutting blades recently sharpened for the spring season. The intoxicating aroma of fresh cut grass filled the air. In the distance, the unmistakable sound of commercial strength gas trimmers buzzed like bees gathering nectar from flowers in full bloom, as even more staff followed behind.

Windy Prairie Systems

Offers Directories to serve cemeteries of all sizes

Products range from:

Touch Screen kiosks



Electrical Roller models



Mechanical Rollers



Our Directories: Enable anyone anytime to easily locate their friends and loved ones graves.

Simplifies community needs to maintain an unrestricted and current guide to our memorial parks.



Constructed with durable materials that are weather resistant

Website support, saves communities time and resources.

Stationary Models



Community rebate plan.

Contact our staff for information today:

**Toll Free 1-800-350-9803 or
www.info@windyprairie.com**

When I arrived at the grave I could see that they had been recently visited as the bronze markers were well trimmed and the matching patrician vase in moonlight grey granite block, also trimmed around, stood perfectly level, proudly displaying new silk flowers. As I stood at the grave site, with the large evergreen tree behind me, I looked at the graves which are situated under the overhang of a nearby tree and across the street from the statues of the apostles and the professionally installed gardens that surround them, I wondered if you noticed the young red maple tree just to the east. The green had been recently mowed and the many vases in the area were obviously trimmed around as well. This, thanks to my preparation for this letter, is now my favorite spot in the whole cemetery.

Traveling east, not quite to the sundial, I reached graves 3 and 4, lot 33, in the Garden of Eternity B1/4. These, as our records indicate, have been transferred to your son Stephen for future burial. These graves are situated under the overhang of a nearby tree as well, and when the area has been recently tended to like it was the day I was there, it is a very nice final resting place. I did notice a nearby water post that was under construction due to a leak, but this is nothing more than regular cemetery maintenance.

Then it was off to your final resting place, graves 1 and 2, lot 160, in Block 32-D. Again, a very pleasant, well-kept area. I do admit that after our long winter we have had some issues with some monuments in the area tilting due to heavy frost. If you came out today you would see that we have been proactive with this issue and are currently addressing it—an example, by the way, of what may cause us to mow and trim a particular area of the cemetery a day or two later than we would like.

With all this considered, please let me take personal responsibility and also extend an apology to you for the way the condition of the cemetery made you feel. I'm sure that our efforts could not have been much appreciated and that you indeed were disappointed, so much in fact that you took the time to put pen to paper and tell us how you feel. I would like to assure you that we do not take a cavalier approach to the upkeep of the cemetery, and that what you noticed during your past two visits to Forest Lawn is not the norm. Please consider some of the intangibles such as timing, bad luck, equipment failure, employee sick and vacation time or special projects and emergencies as just a few examples that can keep us from the constant mowing and raking of the cemetery. I would also like to acknowledge that there are many maintenance issues here at Forest Lawn that are not up to my standards for a number of different reasons. But that does not mean that they are forgotten about and that there is not a plan to rectify the problems in a reasonable amount of time. As the president of the State Cemetery Association and a twelve year veteran in the industry I have learned that all cemeteries have their share of maintenance issues at all times. There will be times that the cemetery upkeep is not what it indeed should be. These are common problems when managing and caring

for a large property and are always being considered for we are just as concerned with the upkeep of the cemetery as you are. I personally have an uncle and many friends who are interred here and the grounds foreman is a property owner such as you are.

I can assure you that the cemetery was prepared for Memorial Day and was in excellent condition over the entire holiday weekend. I worked in the office myself and received many compliments on the way the cemetery looked. Two that stick in my mind are: "The cemetery looks so good I just had to come up and tell someone," and, "I've never seen this place look better." I also had two complaints that same weekend on the upkeep of the grounds which proves that everyone is looking at something differently and that the level of care of the cemetery is a very subjective thing influenced by a number of different experiences and ranges of emotion by any given visitor.

As for the amount of leaves on the ground during your visit last fall, well, with addresses ranging from Edina to Pequot Lakes and to Woodbury, according to our records, I'm surprised that you would be struck by such a thing. It is our procedure to mulch the fall leaves with Toro lawn mowers which are specially equipped with cutting decks just for that purpose. The mulched leaves are left on the ground and act as a natural fertilizer and extra food for the grass plant during the winter freeze.

Mr. Anderson, it is obvious by the professionalism of your letter that you are a polite and reasonable man. I do accept your words as constructive criticism and will forward your letter to the ground foreman and staff. Along with my response, it also, will be placed in my personal file here at the cemetery office. Please accept my reply as an effort by an experienced cemetery manager, who is just as passionate about Forest Lawn as you are, to offer some education and make you aware of some of the philosophy behind a cemetery and why you may find it in various stages of care at any given time, and not of a facetious employee who is over emotional about a letter that is less than complimentary. As a matter of fact, I will not consider this matter closed until I have had a chance to meet you in person and perhaps take a drive around the cemetery or at the very least have a cup of coffee in the cemetery office together.

If you do not find some measure of improvement in the care of the cemetery during future visits, then perhaps another letter to myself or the President of the Association is in order, and perhaps it will be found that drastic measures must be taken. Until then, I am confident that your future visits will elicit more positive emotion. ➤

Sincerely,
Kari A. Hubbard,
President
Minnesota Association of Cemeteries

The Expenses Will Never End

(continued from page 7)

• Funding inadequacies (or surpluses) must be addressed.

Historic Cemetery may perform an actuarial analysis on the endowment care fund's balance sheet and find that current funding levels are far different from the amount required to support its perpetual care. Whether the fund is too large or too small, the cemetery should act sooner rather than later.

If funds are inadequate, Historic Cemetery should make a one-time contribution from general operating funds to cover the shortfall. If the shortfall is ignored, perpetual care costs will eventually rise above investment return, the perpetual care fund balance will decline, the cost shortfall will be aggravated, and eventually Historic Cemetery's perpetual care fund will be exhausted. An immediate, one-time contribution can prevent that from happening. Fund surpluses should be addressed rapidly as well, before they become too large.

• **The cemetery should adjust perpetual care fund investments to ensure that available withdrawals will exceed perpetual care costs.** Currently most state regulators do not permit ceterierians to withdraw capital gain income from perpetual care funds. Due to this limitation, it would be prudent for Historic Cemetery's managers to meet with an actuary and possibly a financial planner to determine the appropriate mix of investments that will assure adequate available cash flow for perpetual care costs. ➤

Hayden Burrus is the principal actuary of HB Actuarial Services in Delray Beach, Florida. He is an Associate of the Casualty Actuarial Society (ACAS) and a member of the American Academy of Actuaries. HB Actuarial Services, www.hbactuarial.com, specializes in stochastic simulations of financial results, forecasting of uncertain cash flows and non-traditional forecasting methodologies, as well as standard property and casualty pricing and reserving issues. He can be reached at 561-279-2323, or through email at hburrus@hbactuarial.com.

The Service Mentality

By Nancy Friedman

Skills and techniques are important in providing excellent service to customers, but they aren't the only keys to success. Leading organizations have identified seven traits they see in their highest performing service providers.

We call these traits: The Service Mentality. These characteristics create a mindset for serving customers. Let's look at each one.

1. Empathy is the capacity for understanding, being aware of and sensitive to the feelings, thoughts and experiences of your customers. They want to know they have been heard and understood no matter how large or small their problem. They want to know that you see the problem from their point of view. A caring, empathetic tone, more than words, allows the customer to hear your concern. Customers don't care what you know until they know that you care.

2. Enthusiasm brings an observable high level of energy or interest to a situation. It can be shown towards your customers and your work. It's not wildly over the top, but it is energetic, positive and openly expressed. Your enthusiasm influences your effectiveness in a service position because the appropriate enthusiasm determines how the world sees you as able or willing to help. Enthusiastic people enjoy helping others and show it with a positive attitude and high energy. They enjoy being proactive and going the extra mile.

3. Ownership is about having the commitment to solve a problem. It's the opposite of the mentality that says, "That's not my department," and then shifts the resolution off to someone else. Ownership makes a clear connection with the customer that says, "I am your partner and own this situation with you," which more effectively represents you and the company. It shouldn't take two people to give good customer service. Step up and take ownership of the challenges that come your way.

4. Responsibility involves living up to commitments. This trait relates just as easily to your co-workers as to your customers. In every case, it's critical that we live up to our commitments. Colleagues need to know they can count on each other to be on time for a scheduled shift or meeting. A co-worker who can't be counted on disrupts everyone's schedule. Ill will and stress is a chain reaction that can radiate outward until service mentality slips among team members. As they saying goes, "There is no I in the word team." Follow-through and dependability demonstrate a service mentality of responsibility.

5. Adaptability is having an easy flexibility to deal effectively with different types of customers and situations. As your customer base becomes more diverse, adaptability is crucial. Aging populations, language and cultural differences and related factors are challenges to providing excellent service, but people who are adaptors are accepting and tolerant. Their mind-set is evidenced by their ability to adapt and to respond and react positively. With the service mentality trait of adaptability, you'll assist all of your customers respectfully and effectively.

6. Balance requires the capacity to be successful at satisfying the customer, while taking into account the resources and needs of your organization. Going too far either way puts you out of balance. Customers must feel they have been heard and treated fairly. The company needs employees to operate within guidelines and practices. A secret to having balance is knowing that you can acknowledge the feelings of the customer, even if you disagree with the facts presented by them. Acknowledgement does not mean agreement, so acknowledge the feelings, move on to the facts, and address the issues.

7. Resiliency means having the ability to bounce back quickly from adversity. Resiliency allows a representative to remain calm in adverse situations or recover quickly from crisis and not show discouragement. We've all had setbacks, both personally and in our daily work. We need to be able to bounce back emotionally and professionally and handle those setbacks, while never taking out frustrations on customers or co-workers.

Exceptional customer service helps a great organization stand out from the competition. It's the tie breaker and the added value that gets the business for your company that pays for jobs—including your job. A high-performing customer contact employee requires The Service Mentality mindset. Make it your goal to become more aware of all of the seven traits as a first step to more effective customer interactions.

Do you have the SERVICE MENTALITY? ➡

Reprinted with the permission of Telephone Doctor Customer Service Training, www.telephonedoctor.com.