

December 28, 2000
ILR 2000-E

Speaker Martin R. Stephens
Utah House of Representatives
318 State Capitol Building
Salt Lake City, UT 84114

**Subject: Transfer of the Veterans' Cemetery and Memorial Park from the
Division of Parks and Recreation to the Utah National Guard**

Speaker Stephens:

In accordance with your audit request, our office has conducted a review of the assets, personnel, capital, and other long-term needs at the Veterans' Cemetery and Memorial Park. Our work was done in anticipation of the transfer of cemetery management from the Division of Parks and Recreation (DPR) to the Utah National Guard's Division of Veterans' Affairs (DVA). Specifically, we found that:

1. Approximately \$201,000 in fiscal year 2002 general fund appropriations will be needed for the cemetery. We anticipate that the overall budget needs will be about \$234,000, but dedicated credits of approximately \$33,000 will come from grave-site purchases as revenue to the cemetery. A new account within the Utah National Guard will need to be established for these revenues which will no longer be held at DPR. An offsetting reduction in the DPR general fund appropriation will also be needed. Based on fiscal year 2001 figures, the reduction will be at least \$138,100.
2. In addition to the general fund allocation for fiscal year 2002, approximately \$152,000 in one-time equipment funds will be needed to replace some major

equipment being retained by DPR, and to purchase new equipment necessary given the loss of access to division equipment inventories.

3. One additional full-time employee and two seasonal (summer) employees may be needed to replace employees, provided to the cemetery out of the general DPR budget, who will no longer be available to the cemetery. This need is reflected in the overall budget figure above.
4. An increase to the cemetery's current expense budget is needed to reflect on-going maintenance and repair cost increases and to reflect the need for more preventive maintenance at the cemetery which has suffered in the past. This need is also reflected in the overall budget figure.
5. A contract inspection firm for the Division of Facilities and Construction Management (DFCM) has identified one-time cemetery capital repairs totaling at least \$93,000 which could be funded in fiscal year 2002 or future years.
6. Approximately \$200,000 may be needed from the state for start-up planning money for long-term improvements needed to expand the cemetery. This money, along with an additional estimated \$1 million, are fully reimbursable through federal grants. However, to qualify for grants, the state will need to meet federal guidelines and work more closely with the U.S. Department of Veterans' Affairs on a master plan expansion, which may vary from a version currently written.

Veterans' Cemetery Will Need Increased Funding for Fiscal Year 2002

The Veterans' Cemetery and Memorial Park will need approximately \$386,000 to insure the success of its first year of operation as part of the Utah National Guard. This funding will consist of a base budget of \$234,000 (all but approximately \$33,000 coming from general funds) and one-time capital equipment funding of \$152,000. This figure also includes additional employees for the cemetery. In addition, the Legislature should be made aware that \$93,000 in funding will be needed for necessary repairs to the cemetery grounds. This could be provided in fiscal year 2002 or future fiscal years. Finally, the Legislature may consider providing \$200,000 in federally-reimbursable planning dollars for long-term cemetery improvements projects, such as a columbarium cremation unit, acreage

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development and securing additional water shares for irrigation. Any further state funds used for qualified projects are now 100 percent reimbursable as part of the U.S. Department of Veterans Affairs cemetery improvement grants program.

Larger Base Budget Will Be Needed for Cemetery in Fiscal Year 2002

Based on an estimate of current expenses and some additional costs, including an increase to the cemetery's maintenance budget and a request for one additional full-time employee and two seasonal workers, the Utah National Guard will need \$234,000 for fiscal year 2002 for the cemetery budget. The budget consists of two funding sources for the cemetery: (1) \$201,000 in general funds, and (2) approximately \$33,000 in dedicated credits which come from burial plot sales to spouses and immediate family members of veterans.

Since the Division of Parks and Recreation will no longer operate the cemetery, its general fund appropriation will need to be decreased as well. Based on fiscal year 2001 figures, this includes a general fund decrease of at least \$138,100 and a permanent re-routing of dedicated credit revenues of approximately \$33,000 from DPR to the National Guard.

Majority of Veterans' Cemetery Budget Is from General Funds

The cemetery fiscal year 2002 budget of \$234,000 will need a general fund allocation of approximately \$201,000. As shown in Figure 1, this is an increase over general funds appropriated in previous years, because it includes an increase to the current expense budget (for maintenance and repairs) and the addition of one full-time grounds worker and two seasonal employees needed by the cemetery. Currently, there are three full-time employees at the cemetery who will transfer from DPR to the National Guard in fiscal year 2002. The recommended budget figure increases cemetery personnel to four full-time employees and two seasonal employees.

As discussed in a later section, cemetery management is requesting an increase in the current expense budget to reflect neglected past maintenance and repair needs and an increase in costs. The need for the additional employees is two-fold: (1) because a past

full-time employee and seasonal workers (near the equivalent of one full-time employee) provided by DPR will no longer be available to the cemetery, and (2) cemetery size and work load will continue to grow. With the current expense budget increase and the addition of employees (with accompanying clothing and safety boot allowances), approximately \$62,945 will need to be added to the \$138,100 base appropriation from fiscal year 2001.

Figure 1 shows cemetery revenues (general funds and dedicated credits) and expenditures for fiscal year 1997 to fiscal year 2000, estimated totals for fiscal year 2001, and audit estimated budget needs for fiscal year 2002.

Figure 1. The Veterans' Cemetery and Memorial Park Operates on General Funds and Dedicated Credit Revenues. A budget of \$234,045 is estimated for fiscal year 2002, when the Utah National Guard takes administrative ownership of the park.

	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002 ¹
Funding						
Dedicated Credits	\$22,672	\$40,021	\$33,330	\$33,984	\$32,900	\$33,000
General Funds	128,421	120,001	128,518	127,096	138,100	201,045
Totals	151,093	160,022	161,848	161,080	171,000	234,045
Expenditures						
Personal Services	114,214	119,360	120,581	116,659	127,400	182,935
Travel	56	0	0	0	200	200
Current Expense	36,823	40,662	40,896	44,162	43,400	50,710
Data Processing	0	0	371	259	0	200
Totals	\$151,093	\$160,022	\$161,848	\$161,080	\$171,000	\$234,045

1. Fiscal year 2002 values include funding necessary to replace Division of Parks and Recreation general fund support not reflected in earlier years.

Dedicated Credit Revenue Comes from Burial Fees

According to past year revenues, an estimate for fiscal year 2001 shows that the cemetery will receive approximately \$33,000 in revenues, mostly from burial fees for spouses and family members of veterans. (The burial of veterans is reimbursed at \$150 by the U. S. Department of Veterans Affairs as long as the surviving family is not charged any fees for the burial.) The revenue from burials of veterans' spouses and family members will stay at the cemetery. Utah National Guard administrators of the cemetery will need to insure a new revenue account is established to track these fees.

More Aggressive Publicity of Cemetery Could Reduce Funding Reliance.

Revenues from burials could increase in the future as the new director of the Division of Veterans' Affairs (DVA) implements an aggressive marketing program for the cemetery. We have been told that over the years, publicity of the cemetery has been lacking. If future marketing is successful, resulting revenues could reduce the general fund allocation needed for cemetery operations. We concur with the DVA's desire for more aggressive marketing and publicity of the cemetery as a dignified final resting place for Utah veterans and their immediate family members.

Additional Cemetery Personnel and Maintenance Needs Exist

The Division of Parks and Recreation has supported cemetery operations with some funding not directly associated with the cemetery. Most notably is the use of additional staff used on an "as-needed" basis at the cemetery and the use of renovation funds for cemetery current expense (maintenance and repair) needs. These expenses need to be recognized as the cemetery changes hands. All anticipated personnel costs, as well as some clothing allowances that were previously paid by DPR, are already reflected in the overall budget amount shown in Figure 1 above. A summary of proposed personnel needs is shown in Figure 2.

Figure 2. Personnel Costs for the Veterans' Cemetery and Memorial Park Include an Additional Full-Time Employee with Clothing Allowance¹ and Two Seasonal (Summer) Employees Previously Provided by the Division of Parks and Recreation.

Veterans' Cemetery Employees	Salary	Benefits	Total
Cemetery Sexton	\$30,285	\$15,212	\$45,497
Building & Grounds Supervisor	31,970	15,657	47,627
Heavy Equipment Operator	25,730	9,586	35,316
(Proposed) Journeyman Maintenance / Construction Worker ²	25,043	13,485	38,528
Part-time seasonal employees (two workers for approximately three summer months) ³	14,429	1,538	15,967
		Total	\$182,935

1. The increase in the clothing allowance for the full-time employee is reflected in the "current expense" line in Figure 1.
2. This job classification begins at a Step 36 (\$12.04 per hour, \$25,043 per annum).
3. This is the total of salaries paid out of the DPR budget for two seasonal employees who worked at the cemetery in fiscal year 2001.

Grounds Workers Needed to Replace DPR Seasonal Employees

In past years, DPR provided the cemetery with four full-time employees, but this was recently reduced to three full-time employees. Also, DPR has been providing two part-time employees to the cemetery for seasonal grounds work. These employees have been funded out of DPR funds not directly allocated to the cemetery. On July 1, 2001, this arrangement will no longer be available to the cemetery. To compensate for these situations, the cemetery sexton and staff believe that a full-time grounds employee needs to be restored to the cemetery (which the Department of Human Resource Management would classify as a "Journeyman Maintenance / Construction Worker") as well as two seasonal employees. Existing employees at the cemetery currently use little annual leave because they are short-handed. In fact, one employee told us he may lose over 50 hours of carry-over annual leave because taking a vacation would leave the cemetery too short-handed for operations. Existing employees have also accrued several hours of costly overtime.

Clothing Allowances Already Built into Budget

There are concerns that the employees would lose their yearly allowances for clothing and OSHA-required steel-toed boots when the cemetery administration transfers to the National Guard. However, the DPR budget officer confirmed that the clothing allowance of \$500 per employee has already been built into the existing cemetery budget. Likewise, money for OSHA-required steel-toed boots for the workers is provided in the budget. Both of these allowances are evident in the line-item report of the cemetery's budget and expenditures. If the cemetery did receive an additional full-time employee, this would be little more than an \$800 increase (already built into the suggested budget figures for fiscal year 2002).

Youth Volunteer Efforts Will Be Retained

There is also concern that the cemetery will lose volunteers, which come from the GENESIS youth corrections facility, as part of the transfer. We verified that this will not occur. Currently, the cemetery benefits from service hours provided by several youth at the GENESIS project in the Division of Youth Corrections. According to the GENESIS supervisor, youth will continue to offer service to the cemetery after the July 1, 2001 transfer date. Typically, three to four youth—accompanied by a GENESIS correctional officer—work on the grounds of the cemetery for several hours, three times a week, when scheduling permits.

Increase in Maintenance And Repair Funds Is Needed

According to cemetery management, the maintenance and repair needs at the cemetery have suffered over the years due to budgetary constraints. Cemetery staff believe that much of the cost of the current repairs recently estimated by DFCM contract inspectors could have been minimized with more funding for preventive maintenance. With repairs, maintenance and improvements increasing as the cemetery expands, a concurrent increase in the on-going maintenance and repair budget seems reasonable.

In those instances where some repairs and renovations could be made, the cemetery management was able to access a Division of Parks and Recreation renovation fund. In four past fiscal years, almost \$10,000 was used from the fund for cemetery renovations,

including \$2,100 in fiscal year 2000. After the cemetery is transferred from the Division of Parks to the National Guard, cemetery management will not have access to these renovation funds and will therefore need a compensating budget increase.

Although the use of DPR renovation funds at the cemetery is only a partial accounting of all the maintenance, repair and renovation needs (time restraints and a lack of full records kept us from a full analysis) we feel the 15 percent increase identified by cemetery management is reasonable. This 15 percent increase is reflected in the fiscal year 2002 "Current Expense" line item, found in Figure 1. We believe this increase is further supported by DFCM's identification of major renovation needs caused by some lack of preventive maintenance.

One-time Allocation Will Be Needed for Equipment

It is estimated that at least \$152,000 will be needed for new equipment requests and to replace essential equipment that DPR will retain that was previously used by the cemetery. Although the cemetery could rent equipment from the division over the short-term, the Utah National Guard prefers to acquire equipment up-front as a long-term solution to operating the cemetery. The use of currently owned National Guard equipment is not an option because federally-owned equipment can only be leased for non-military use under certain conditions. It is intended that equipment owned by the United States Army only be used in support of the Army's mission, and operation of a state-owned cemetery is not an Army mission. Use of such military equipment is reserved for emergencies and mission-specific projects; and even then, the state reimburses the federal government. Philosophically, the National Guard believes that now seems the best time to recapitalize at the cemetery to prepare for future expansion.

A summary of equipment needs, and estimated costs, is shown in Figure 3. Where state contracts exist, we verified costs estimates with the state Division of Purchasing. However, not all items listed are on state contract. Equipment needs identified in Figure 3 assume that existing equipment and all inventoried small tools and supplies not identified by DPR for their retention, will remain at the cemetery grounds and become the permanent property of the Utah National Guard. This list does not include future equipment needs that will no doubt arise as the cemetery increases in size, from seven to approximately 21 acres, through future development.

Figure 3. Veterans' Cemetery and Memorial Park Will Require an Estimated \$152,000 in Major Replacement and Additional Equipment on July 1, 2001.

Replacement and Additional Equipment Items	Estimated Unit Cost	Quantity	Total
Truck with utility bed (Ford F250 3/4 ton 4x4)	\$26,000	1	\$26,000
Backhoe (Case 590 Super L)	72,403	1	72,403
Riding mowers (Toro GroundMaster 345 72")	13,995	2	27,990
All-terrain utility vehicles (Kawasaki 3010 4x4 Mules)	8,000	2	16,000
Snow plow (8 foot Fischer or Curtis attached to truck)	3,100	1	3,100
Walk behind mower (48")	2,500	1	2,500
Auger (16" hand-held)	1,895	1	1,895
Computer with modem and printer	1,265	1	1,265
Copier (Cannon NP 6412)	964	1	964
		Total	\$152,117

Remaining Equipment Has Been Inventoried

We reviewed and obtained records which show that cemetery staff have recently updated their inventory of all items over \$200 in value on site at the cemetery. This is equipment in addition to that listed in Figure 3 which is cemetery specific. Such cemetery-specific inventory includes chapel chairs, a chapel organ, administration building furniture, as well as various grounds and maintenance equipment such as a coffin lowering device, a weed eater, road sweeper and a sod cutter. Several of these items were actually donated by veterans for cemetery use. Items on the inventory list will remain at the cemetery because they will no longer be needed by the Division of Parks and Recreation. The inventory list will be retained for asset verification on July 1, 2001, and can be used by both the Division of Parks and Recreation and the Utah National Guard.

Immediate Capital Repair Needs Exist

According to estimates by inspectors used by the Division of Facilities and Construction Management (DFCM), approximately \$93,000 is needed to meet short-term capital repair needs that have been neglected over the years. A draft version of the repairs estimated by the inspector is shown in Figure 4. The addition of new employees, as well as increases to the cemetery's current expense budget discussed earlier in this report, can help alleviate the need for mounting repairs through more preventive maintenance. However, funding needs for identified repairs still exists.

Figure 4. A Recent Inspector's Estimate Shows Capital Repairs at the Veterans' Cemetery and Memorial Park to be \$93,000. Data shown in this table, which is not a final draft from the inspector, may not reflect all costs of repairs needed at the cemetery.

Repair Item	Total
Chapel carpet replacement	\$21,650
Chapel interior finish on load bearing walls	18,232
Chapel ceiling tile replacement	3,500
Exterior paint to chapel	5,000
Concrete sidewalk and courtyard repairs	23,325
Building accessibility upgrades	1,200
Flammable fire cabinet allowance	4,000
Exit signage upgrade	1,828
Exterior concrete/brick demolition and repair; sidewalk/wall light repair	7,000
Restroom flush valve/faucet replacement	4,200
Hot water heater replacement	2,000
Fountain pump and motor replacement	750
	\$92,685

Our site visit to the cemetery confirmed the need for some significant capital repairs, including masonry repairs and waterproofing, repairs for water damage in the buildings, cement fall-away, and roofing repairs. Although most of these repairs are identified in the inspector's report (summarized in Figure 4) there may be additional needs. For example, cemetery management has received repair estimates for the line-item "Exterior concrete/brick demolition and repair; sidewalk/wall light repair" that exceed the inspector's estimate by almost \$4,000. The inspection may not have estimated this repair as detailed as the recent cemetery bid.

Long-term Planning and Improvement Funds Contingent on Federal Collaboration

The state can access 100 percent reimbursable cemetery grants from the U.S. Department of Veterans Affairs if master plan improvements meet application requirements. However, at this point, it is unclear which of the \$1.3 million in cemetery improvements identified by the state's Division of Veterans' Affairs would be approved for federal grant reimbursement. The state will need to work more closely with the federal Department of Veterans Affairs if grant money is to be made available. One official at the federal Department of Veterans Affairs did suggest, however, that \$200,000 to \$300,000 may be needed by the state to undertake the application planning procedure required to obtain grant money. This would be "start-up" money reimbursable by the federal grant program. The timing seems right to undertake several long-term improvements, chief of which includes constructing a columbarium crematorium and securing additional shares of water for cemetery land development.

A current master plan of improvements does exist at the cemetery, with costs of approximately \$1.3 million being identified by past and current cemetery management. These costs are shown in Figure 5 below. However, our concern is that officials from the federal Department of Veterans Affairs have neither reviewed these projects, nor given any indication that the entire master plan concept would be approved for grants. Thus, it may be premature to recommend significant funds from the Legislature until the federal VA can have input on the future master plan of the cemetery. The federal VA outlined for us a qualifying process of pre-application, pre-design, construction plan review, bid and final application that must occur before the state can assume availability of grant funds. We were further told that a VA site-visit is being planned to review the unique obstacles that may challenge the expansion of the Utah's Veterans' Cemetery.

Figure 5. The Veterans' Cemetery and Memorial Park Master Plan Calls For Future Improvement Projects Which Total Over \$1.3 Million. The state could be fully reimbursed for these projects through the U.S. Department of Veterans Affairs' State Cemetery Grants Program, but none of the projects have been approved, or even been submitted for approval.

Project	Brief Description	Estimated Cost
Cemetery landscaping	Add drought and wind tolerant plants; establish a sod nursery; expand irrigation system ¹ .	\$80,000
Columbarium cremation unit	Build unit for resting place of 800 cremations	500,000
Curbs and gutters	Extend curb and gutter on both sides of existing main road from main gate	200,000
Lower contemplation area	Add a reflective pool in the expanded area of the cemetery tied to lower loop road project	49,000
Lower loop road and lower "U" Road	Add a new road on the east border of the future developed cemetery; will require ravine fill, covering of irrigation culvert and landscaping; also add a "U" shaped road east of the chapel	175,000
Outdoor amphitheater	Add a facility to serve community functions designed to hold 350 people	175,000
South entrance gate	Create a second entrance from Redwood Road which connects with the lower loop road	65,500
Sub-Total		1,244,500
Additional Cost Compiled by Legislative Auditors		
Water shares ² .	Secure additional water shares needed for full expansion from 7-acre development to 21-acres	70,000
Total Master Plan Improvements		\$1,314,500

1. This does not include the cost of securing additional water shares which we estimate as a single line-item in this table.
 2. Cemetery management estimate that only 21 of the cemetery's 30 acres can be reasonably developed.

Our discussions with the director of Utah's Division of Veterans' Affairs confirm concerns with the current master plan for cemetery expansion. Of foremost concern is the actual acreage available for reasonable development. Although the cemetery owns 30 acres of land, the division director estimates that only up to 21 acres can be reasonably developed. Cemetery staff share this view because many of the acres to the south-east of the main facility are in a deep ravine. Although estimates have been given to develop over this

ravine, there are concerns about ground stability, and the feasibility of adding a looping road with a southern gate entrance.

Although we agree that start-up funds are needed to develop plans for cemetery expansion, we are unsure to what extent the cemetery should be expanded. It remains to be seen if the state DVA can increase public interest in the cemetery, or if consideration of a new, better located cemetery would be more feasible because all costs of a *new* cemetery are paid by the federal Department of Veterans' Affairs, not just improvement costs.

In short, much work remains to determine how much funding should be provided for long-term cemetery expansion beyond current operations, maintenance and equipment needs. While we have verified the existence of fully reimbursable federal funds for cemetery improvements, the state needs to more closely collaborate with the federal Department of Veterans' Affairs before state funds are made available for master planning, to assure improvements will meet federal grant guidelines.

Recommendations

1. We recommend the Legislature, for fiscal year 2002, transfer \$138,100 of general fund appropriations from the Division of Parks and Recreation to the Utah National Guard, and appropriate an additional \$62,945 to the National Guard for the operation of the Veterans Cemetery and Memorial Park.
2. We recommend that the Legislature reassign Veterans' Cemetery dedicated credits from the Division of Parks and Recreation to an account created within the Utah National Guard (in fiscal year 2001 this fund totaled approximately \$33,000.)
3. We recommend that the Legislature authorize an additional \$152,000 in one-time general funds to cover current equipment needs that will be required because of the transfer.
4. We recommend that the Legislature consider addressing the highest priority of the \$93,000 cemetery repair items identified through the recent inspection.

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5. We recommend that the Legislature require the Division of Veterans' Affairs to revisit their master plan in conjunction with the U.S. Department of Veterans Affairs to insure future improvements would qualify for federal grants. Following which, the Legislature could provide a federally recommended \$200,000 in reimbursable, start-up money for the master plan pre-application and design to the U.S. Department of Veterans Affairs.

We hope this report identifies key issues which need to be addressed in order for a smooth transition of the Veterans' Cemetery and Memorial Park to occur. We look forward to further assisting the Legislature with any follow-up questions, and with input into the transition of the Utah Veterans' Nursing Home at a later date. If you have further questions concerning this report, please call Legislative Audit Supervisor, Darin R. Underwood at 538-1033 extension 121.

Sincerely,



Wayne L. Welsh, CPA
Auditor General

WLW:DRU/lm