

DIVISION OF CEMETERIES

STATE OF NEW YORK
DEPARTMENT OF STATE
STATE OFFICE BUILDING
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ANDREW M. CUOMO
GOVERNOR

CEMETERY BOARD

ROSSANA ROSADO
SECRETARY OF STATE
CHAIR

LETITIA JAMES
ATTORNEY GENERAL

DR. HOWARD A. ZUCKER
COMMISSIONER OF HEALTH

DEPARTMENT OF STATE - DIVISION OF CEMETERIES

MEMORANDUM

TO: New York State Cemetery Board

FROM: Michael D. Seelman, Investigator II
Lewis Polishook, Director

SUBJECT: Mount Pleasant Cemetery Association, #52-033

RE: Application for Cemetery Renovation – Additional Retorts

DATE: April 6, 2020

Exhibits

- a) Report from Division Associate Accountant Joseph Ambrose
- b) Request from Mount Pleasant Cemetery
- c) Map and estimate for new retorts
- d) Estimates of downstate cremation increases

Mount Pleasant Cemetery in Center Moriches, Suffolk County, New York (the Cemetery) seeks approval of a major alteration to expand its cremation capacity by adding two B&L N20AA cremation units. The Cemetery dates from 1878 and is approximately 41 acres, of which 36 are developed and 16 are developed and unsold. The cemetery currently operates three cremation units.

The Cemetery has applied for approval for the installation of their fourth and fifth cremation units. The cemetery currently has three cremation units and a viewing chapel that was enlarged in 2019. The two new B&L N20AA cremation units will be installed in the same building as the existing cremation units. The proposed location of the new units is currently being used as a garage area and has a temporary storage area. It is separated from the existing retorts by a wall, and a door allows direct access. No building modification will be necessary other than the installation of the refractory stacks and no disruption of current operations is anticipated, The cemetery stated that these additional cremation units are necessary due to increased volume of cremation as they have added the SUNY Stonybrook body donation program as a new customer and have seen increased business with existing customers. It is expected that these new units will allow an additional 16 cremations per day. More immediately, the cemetery has



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seen a dramatic increase in cases due to the COVID 19 pandemic and has discussed a possible 90- day contract with the City of New York to cremate additional COVID 19 cases. The addition of these two cremation units will allow for this increased volume while taking strain off of the existing cremation units. The crematory has sufficient employees to operate with this additional capacity. After the COVID 19 pandemic has resolved, the new cremation units will continue to be used to handle increased volume and help avoid service disruptions during routine maintenance of existing units. The Cemetery performed 1653 cremations in 2019 and 1556 cremations in 2018. The price for two B&L Phoenix II cremation units will be \$193,470.00, which includes delivery. Installation is expected to cost no more than \$14,000.00.

The Division recommends approval of this application.

Project Details

The accompanying memorandum (Exhibit A) from Associate Accountant Ambrose and income expense form, contain additional background information about the cemetery. Cemetery Compliance with NYCRR 201.16 The cemetery provided information for this application that included the following:

Whether the alteration will result in or avoid the destruction, damage to, modification or interference with existing graves, markers, crypts, mausoleums, roadways and pathways.

The new unit will be installed inside an existing building and will require no modification beyond stack placement. It will not interfere with existing graves, markers, crypts, roadways or pathways.

The location, design and duration of the major alteration.

The new B&L N20AA cremation units will be installed in an existing building. The installation will take approximately one week. The alteration is permanent.

The financial impact on the applicant.

The cost of the new units is \$193,470.00 and installation is expected not to exceed \$14,000.00. For further information see Associate Accountant Ambrose's memorandum.

Whether the alteration will interfere with lots or the interest of the lot owners.

As the new units will be installed inside of an existing building that needs no modification to accommodate them, it will not interfere with the interest of the lot owners.

Whether the alteration will be appropriate for cemetery purposes. The operation of a crematory in this cemetery is appropriate for cemetery purposes.

Whether the alteration will have an impact on the surrounding community.

The cemetery has operated three cremation units at this location, the addition of two retorts will not negatively impact the surrounding community.

Whether the alteration will have the potential to adversely affect the public health and safety, the environment or natural resources.

The addition of two retorts will not adversely affect the public health and safety; they are subject to regulation by the Department of Environmental Conservation.

The degree to which measures will be taken to minimize or eliminate these impacts.

N/A

Required Permits

No local permits are required for this project. The Department of Environmental Conservation Air Quality Certificate will be amended to reflect this new unit.

Certification by a licensed architect or engineer.

N/A

Recommendation

The number of cremations at Mt. Pleasant Cemetery and the surrounding area have steadily increased for the past several years and the additional units will help limit service disruption due to routine maintenance. In the short term, these two additional cremation units will allow Mount Pleasant to assist the New York City area in making final disposition of COVID 19 cases in a timely manner. There appear to be no related-party transactions, and the cemetery does have a conflict of interest policy in place. Approval is recommended.

Exhibit A

DIVISION OF CEMETERIES

STATE OF NEW YORK
DEPARTMENT OF STATE
ONE COMMERCE PLAZA
99 WASHINGTON AVENUE
ALBANY, NY 12231-0001
TELEPHONE: (518) 474-6226
FAX: (518) 473-0876
WWW.DOS.NY.GOV

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COMMISSIONER OF HEALTH

To: New York State Cemetery Board
From: Joseph Ambrose, Associate Accountant
Subject: Mount Pleasant Cemetery 52033
Date: 04/06/2020

SCHEDULES:

- 1) Four-year Income and Expense Analysis w/ Asset Balances

SUMMARY:

The cemetery is applying for an emergency major renovation to purchase two retorts, their 4th & 5th, at a combined cost of \$207,400.00. This is due to the unprecedented increase in volume of cremations from COVID-19. I called Mr. Scerri from Mount Pleasant who anticipates cremation demand anywhere from 300 to 400 per month for the foreseeable future. The retort vendor will be able to deliver and install these retorts in about two weeks' time.

OPERATIONS

Mount Pleasant's operations have shown surpluses for the last several years. Surpluses of \$242,964 and \$531,385 for 2018 and 2017 respectively. Cremation totals have increased at a healthy pace, prior to this COVID 19 event, by roughly 5% per year since 2015. The cemetery is in compliance with annual report filings and vandalism and assessment payments. Mount Pleasant's Crematory activity below:

Year	2019	2018	2017	2016	2015
Cremation revenue	\$767,385	\$717,270	\$657,510	\$592,650	\$509,845
Cremations	1653	1556	1539	1483	1331

CREMATION TOTALS IN LONG ISLAND

Year	2019	2018	2017	2016	2015
Mount Pleasant	1653	1556	1539	1483	1331
Long Island	3952	4119	4015	3934	3892
Washington	833	771	760	826	776
Totals	6438	6446	6314	6243	5999

Cremation totals in Long Island have grown by 2% per year since 2015 to present. (*Cremation totals for Nassau Suffolk were unavailable at the time of this report*)

FINANCING/PAYBACK

The retorts will be financed by the general fund which totaled \$938,876.00 as of 12/31/2019. The calculation for return on investment would be irrelevant under these circumstances. The unprecedented volume would guarantee a rapid payback of the original investment within two months after purchase in my opinion. As stated above, the crematory is anticipating 300 to 400 cremations in monthly demand. They



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currently charge \$450 per cremation with minimal cost for fuel and labor. If we assume that they make \$350 per cremation multiplied by 350 cremains per month translates in \$122,500 in net income. Furthermore, the service that these retorts would provide for grieving families effected by COVID 19 deaths cannot be quantified financially. When deaths due to the COVID 19 virus finally abate, the additional retorts will still be needed because of the current trends in cremation rates in Long Island and the rest of N.Y. state. It is my opinion that the State would be better served to risk having slightly more capacity then needed rather then a shortage at this time.

RECOMMENDATION

My recommendation is to approve this application. The crematory operator is concerned that if he runs his current retorts continually to keep up with demand, they will eventually break down. If he is allowed to install two new retorts, they can be run intermittently thus avoiding damage.

Exhibit 1



Division of Cemeteries

Department of State
DIVISION OF CEMETERIES
 One Commerce Plaza
 99 Washington Avenue
 Albany, NY 12231-0001
 Telephone: (518) 474-6226
 www.dos.ny.gov

SCHEDULE A – INCOME AND EXPENSES AND FUND BALANCES

For any income or expense category where there is a significant increase or decrease in income or expenses, please provide a brief explanation. Not all cemeteries will have income and expenses in all of these categories

Cemetery Name	New York State Cemetery Five Digit ID Number			
	—			
YEAR ENDING	12/31/18	12/31/17	12/31/16	12/31/15
SIZE AND INVENTORY				
Acres-Total				41.0
Acres-Developed	0.01	0.01	0.01	36.0 0.01
Acres-Developed and Available		"	"	16.2
BURIALS AND LOT SALES				
Burials	140	136	141	150
Number of lots (graves, crypts, niches) sold	188 + 25 = 213	138 + 33 = 171	168 + 21 = 189	191 + 17 = 208
INCOME (RECEIPTS)				
Lots and grave sales	325850	262450	240550	275350
Interment fees	247360	241245	210475	203500
Foundations	57691	52763	57775	46445
Dividends on interest				24585
Donations			—	—
Other-specify; <i>SEE ATTACHED</i> attach additional sheet(s) as needed	1,016,891	948810	822957	597575
Other-specify; attach additional sheet(s) as needed				1405
Other-specify; attach additional sheet(s) as needed				1700
Other-specify; attach additional sheet(s) as needed				12300
Other-specify; attach additional sheet(s) as needed				46990
TOTAL RECEIPTS	1,647,792 \$ 0.00	1,505,268 \$ 0.00	1,331,757 \$ 0.00	1,122,870 \$ 0.00

SCHEDULE A – INCOME AND EXPENSES AND FUND BALANCES

Cemetery Name	New York State Cemetery Five Digit ID Number
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	YEAR ENDING 12/31/18	12/31/17	12/31/16	12/31/15
EXPENSES (DISBURSEMENTS)				
Employee Wages	394294	374796	347873	329844
Independent Contractor Grave Openings			—	—
Independent Contractor Maintenance and Mowing			—	—
Salaries of Officers			—	—
Supplies and Repairs	69631	68558	126605	73378
Equipment				
Insurance – General Liability	23697	24391	55822	26432
Workers Compensation	46742	28691	18236	23867
Commercial Crime/ Employee Dishonesty				
Vandalism and Assessment Fee				
Other – specify; <i>SEE ATTACHED</i>				47180
attach additional sheet as needed	520457	477447	558903	490002
Other – specify;				185
attach additional sheet as needed				82804
Other – specify;				15842
attach additional sheet as needed				95230
TOTAL DISBURSEMENTS	1054821 \$ 0.00	973883 \$ 0.00	982880 \$ 0.00	1059017 \$ 0.00
OPERATING SURPLUS (LOSS)	592911 \$ 0.00	531385 \$ 0.00	348877 \$ 0.00	63853 \$ 0.00
INTER-FUND TRANSFERS				
Transfers To Operating Account	\$ 0.00	\$ 0.00	\$ 0.00	— \$ 0.00
From trust funds (retained income from previous years)	\$ 0.00	\$ 0.00	\$ 0.00	— \$ 0.00
From other funds (i.e., special, bequests, pre-need, etc.)	\$ 0.00	\$ 0.00	\$ 0.00	— \$ 0.00
TOTAL TRANSFERS FROM OTHER FUNDS TO OPERATING ACCOUNT	\$ 0.00	\$ 0.00	\$ 0.00	— \$ 0.00

SCHEDULE A – INCOME AND EXPENSES AND FUND BALANCES

Cemetery Name	New York State Cemetery Five Digit ID Number
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	YEAR ENDING	12/31/18	12/31/17	12/31/16	12/31/15
FINANCIAL ASSETS (FUND BALANCES)					
General Fund		938875 \$ 0.00	788313 \$ 0.00	727743 \$ 0.00	494932 \$ 0.00
Permanent Maintenance Fund		2329779 \$ 0.00	2269658 \$ 0.00	2165691 \$ 0.00	2050243 \$ 0.00
Perpetual Care		331551 \$ 0.00	349533 \$ 0.00	304185 \$ 0.00	288858 \$ 0.00
Special Trust		— \$ 0.00	— \$ 0.00	— \$ 0.00	— \$ 0.00
Other <i>CKG</i>		256487 \$ 0.00	276687 \$ 0.00	50513 \$ 0.00	191432 \$ 0.00
TOTAL FINANCIAL ASSETS		3856692 \$ 0.00	3684191 \$ 0.00	3,248,132 \$ 0.00	3025465 \$ 0.00

PER ACRE ANALYSIS					
Total Income Per Developed Acre		\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Total Expense Per Developed Acre		\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Net Income (Loss) Per Developed Acre		\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Funds Per Developed Acre		\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00

Permanent Maintenance Loan

Approved Date	
Original Loan Amount	
Current Balance	

NOTES:

<u>OTHER INCOME</u>	<u>12/31/2018</u>	<u>12/31/2017</u>	<u>12/31/2016</u>	<u>12/31/2015</u>
Mausoleums	\$ -	\$ -	\$ 15,250	\$ -
Cremation income	\$ 717,270	\$ 657,510	\$ 592,650	\$ 509,845
Sand blasting fee	\$ 1,590	\$ 1,530	\$ 1,350	\$ 1,405
Sketch approval fee	\$ 3,330	\$ 3,270	\$ 3,540	\$ 2,700
Investment income	\$ 161,914	\$ 196,519	\$ 143,782	\$ 24,335
Sale of niches	\$ 27,400	\$ 30,900	\$ 14,700	\$ 12,300
Miscellaneous income	\$ 105,387	\$ 59,081	\$ 51,685	\$ 46,990
TOTAL OTHER INCOME	\$ 1,016,891	\$ 948,810	\$ 822,957	\$ 597,575

<u>OTHER EXPENSES</u>	<u>12/31/2018</u>	<u>12/31/2017</u>	<u>12/31/2016</u>	<u>12/31/2015</u>
Landscape supplies	\$ 3,064	\$ 3,055	\$ 2,884	\$ 4,333
Advertising	\$ 23,973	\$ 28,637	\$ 23,082	\$ 24,780
Dues and subscriptions	\$ 2,454	\$ 2,695	\$ 2,585	\$ 2,762
Interest and bank charges	\$ -	\$ 1,076	\$ 356	\$ 2,105
Cemetery division	\$ 1,195	\$ -	\$ 1,155	\$ -
Professional fees	\$ 115,680	\$ 106,667	\$ 77,679	\$ 82,004
Office expense	\$ 22,645	\$ 24,326	\$ 16,392	\$ 15,343
Payroll taxes and fringe benefits	\$ 128,995	\$ 106,995	\$ 102,046	\$ 95,230
Gas and oil purchases	\$ 10,213	\$ 9,183	\$ 9,356	\$ 10,790
Lot repurchase	\$ 5,550	\$ 5,400	\$ 5,500	\$ 6,309
Flowers, trees, shrubs	\$ 4,205	\$ 12,293	\$ 8,735	\$ 12,835
Shop expense	\$ 5,209	\$ 4,671	\$ 4,252	\$ 4,722
Foundation expense	\$ 14,488	\$ 13,350	\$ 10,102	\$ 8,209
Cremation expense	\$ 46,487	\$ 35,272	\$ 21,504	\$ 13,759
Telephone	\$ 2,221	\$ 2,238	\$ 3,101	\$ 3,521
Utilities	\$ 67,058	\$ 65,584	\$ 64,417	\$ 64,686
Foreign tax withheld	\$ -	\$ -	\$ 207	\$ -
Education and seminars	\$ 470	\$ 495	\$ 1,360	\$ -
Depreciation	\$ 66,550	\$ 55,510	\$ 79,631	\$ 57,201
TOTAL OTHER EXPENSES	\$ 520,457	\$ 477,447	\$ 434,344	\$ 408,589

Exhibit B

mount pleasant cemetery & crematory

At this time we are asking to install 2 new n20aa cremation units.the cost for the units total is going to be \$214.000

due to the overload in cremations and the extent of time this will be going on. also the units are only going to take so much before the totally go down and either the doors do not open because of to much heat or the units will need to totally rebuilt this will increase the amount we can do also at least another 560 a month.also this will help with the stony brook school . the increase from what we are doing in one month we are doing in a week right now.

the money to pay for these two units will come from our general fund. by the time we get these up and running hopefully in the next 2 weeks we will have paid almost half the cost of them.

no one can say how long this is going to go on for but after this is over all the crematories are going to have to get their units rebuilt if not totally replaced. tks steve scerri supt.

Exhibit C



Cremation Systems, Inc.

7205 - 114th Avenue North Largo, Florida 33773 USA
1-800-622-5411 727-541-4666 Facsimile 727-547-0669
email: sales@blcremationsystems.com www.blcremationsystems.com

April 6, 2020

Mount Pleasant Cemetery & Crematory
Steve Scerri
1 Old Cemetery Road
Center Moriches, NY 11934

SALES AGREEMENT # 200406

We hereby agree to supply the following:

- | | |
|---|--|
| Two N-20AA Cremation Retort | One Written Warranty / Owner's Manual |
| Stainless Steel Front on Retorts | B&L Training Program |
| 10' of Refractory Lined Stack Per Unit | One Set Door Safety Latches Per Unit |
| PLC Controllers w/ Color Touch Screens Per Unit | One Storm Collars Per Unit |
| Hydraulic-Loading Doors | (2) Dual Pen Chart Recorders |
| One Hand Trigger Magnets Per Unit | (2) Air Louvers/Roof Thimbles/Operators Kits |
| Clean-Out Tools and Remains Pans | 6' Additional Stack |

* Freight to Site \$6,000.00
FOR A TOTAL PRICE OF
\$ 193,470.00

B&L Cremation Systems, Inc. agrees to provide existing technical information necessary for submittal to the Environmental Agency in your State for an operational permit for the equipment. We will also provide start-up of the equipment and train your personnel, for up to three (3) days, in the correct operation of the equipment. B&L Cremation Systems, Inc. offers a one (1) year warranty against defects in material and/or workmanship. F.O.B. Largo, Florida.



DR. STEVE LOOKER
PRESIDENT

April 6, 2020
DATE

Optional Equipment: Additional Stack..... \$430.00/Ft.
Additional Training for More Than 5 People..... \$125.00/Person

*** Freight Charges are Subject to Change**
The above price is in effect for 30 days.

Customer Initials _____

Date: _____

Sales Agreement # 200406

Mount Pleasant Cemetery & Crematory

April 6, 2020

MOUNT PLEASANT CEMETERY & CREMATORY AGREES TO SUPPLY THE FOLLOWING:

A crane for off-loading the unit and erecting the stack; all labor and equipment costs during installation; gas and electrical hook-up costs; sufficient fresh air supply to the unit as specified; equipment rentals incurred during off-loading and/or installation; any and all permit fees and related costs; any applicable sales and use tax; any and all bank and wire transfer fees.

Terms: (Please check appropriate box)

- A.** 30% Deposit due with signed contract..... \$ 58,041.00
30% Due 30 days after signed contract..... \$ 58,041.00
35% Due when unit is ready for shipping..... \$ 67,714.50
5% Due upon start-up - to be picked up by technician or 30-days from shipment date,
whichever comes first..... \$ 9,673.50

TOTAL PRICE \$193,470.00

- B.** 10% Deposit due with signed contract..... \$ 19,347.00
40% Due on start of manufacturing after receipt of air permit..... \$ 77,388.00
45% Due when unit is ready for shipping..... \$ 87,061.50
5% Due upon start-up - to be picked up by technician or 30-days from shipment date,
whichever comes first..... \$ 9,673.50

TOTAL PRICE \$193,470.00

- C.** Equipment Financing – Terms to be decided upon with Finance Company. 50% Deposit provided by financing company upon receipt of signed finance documents. Final payment due before the machine is ready to ship.

Delivery: Shipment will be approximately 14 to 16 weeks after the start of manufacturing, which cannot start without receipt of signed contract, pre-construction check list and deposit.

Startup: Once the equipment has been off-loaded, set in place and the stack & utilities hooked-up, our technician will come to your place of business, commission the unit and provide training for up to five (5) people on its operation & maintenance. B&L Cremation Systems, Inc. requires a minimum of two (2) week notice in order to schedule the start-up.

Title of the goods which are the subject of this Sales Agreement shall remain the sellers until such time as the amount of the Sales Agreement is paid in full. If the total amount is not paid at the maturity thereof, the customer agrees to pay a service charge of 1-1½% per month on the unpaid balance and further agrees to pay all costs of collection, including reasonable attorney's fees and court costs, if the delinquent account is turned over for collection whether suit be brought or not. It is specifically agreed that should either party file suit for breach of this agreement, exclusive jurisdiction and venue shall be in Pinellas County, Florida. Purchaser agrees that until full payment is made, it will not encumber or dispose of the collateral, and will not remove or modify it without seller's express written permission. If purchaser shall, in any manner, default under terms of this payment agreement as a secured party under the Uniform Commercial Code, and, in conjunction with those rights, may, at its sole discretion, enter upon purchaser's property to take possession of, assemble and collect the collateral.

Signed Acceptance: _____ **Date:** _____

Print Name: _____ **Authorized Agent for:** _____

Exhibit D

Cem No.	Cem Name	No. 3/16-4/5	Annualized Based on Last 3 Wks	2019	2018	2017	2016	% Increase Over 2019
3001	Woodlawn	155	2,687	2106	2273	N/A	N/A	27.57201646
24003	Green-Wood		N/A	3333	3398	3478	N/A	N/A
41016	Fresh Pond	165	2,860	2093	N/A	N/A	1829	36.64596273
41999	St. Michael's (All Souls)	268	N/A	2775	2671	2841	2626	N/A
52068	LI Cremation	327	5,668	3952	4119	4015	3934	43.42105263
52015	Washington Memorial	73	1,265	833	771	760	826	51.9007603
52033	Mount Pleasant	205	3,553	1653	1556	1539	1483	114.9626941
52069	Nassau Suffolk	155	2,687	1887	1790	1747	1488	42.37767179
60006	Ferncliff	308	5,339	3468	3287	3069	2792	53.940792