



City of Rochester Hills  
AGENDA SUMMARY  
NON-FINANCIAL ITEMS

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[www.rochesterhills.org](http://www.rochesterhills.org)

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Legislative File No: 2012-0462

**TO:** Mayor and City Council Members  
**FROM:** Jane Leslie, City Clerk and Keith Sawdon, Director of Finance  
**DATE:** December 3, 2012  
**SUBJECT:** Trust Document – Cemetery Perpetual Care Fund

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**REQUEST:**

We are requesting that City Council approve the Cemetery Perpetual Care Fund Trust as presented.

**BACKGROUND:**

On April 26, 1978 the Avon Township Board established, by resolution, the VanHoosen Jones Stoney Creek Cemetery and the VanHoosen Jones Stoney Creek Cemetery Perpetual Care Fund. Funding for the perpetual care fund was to come from a sharing of revenue from lot sales and other services performed by the cemetery. Since its creation, the cemetery and the perpetual care fund have operated under the guidelines of that resolution.

As the name implies, the perpetual care fund is an everlasting fund established for the care and maintenance of the cemetery and since it is perpetual, it is a very long-term fund (existing as long as the cemetery does). That also implies that the principle amounts deposited into the perpetual care fund must also be considered long term.

The resolution establishing the perpetual care fund also required that all funds deposited within the perpetual care fund be separated from all other funds held by the cemetery or the Township and that only the income from the principle may be used for the care and maintenance of the cemetery.

Considering the long-term nature of the fund, the required segregation of the funds deposited into the fund and only having income available for use for maintenance of the cemetery it seemed appropriate that a Section 115 Trust be established for the perpetual care fund. The Trust would ensure segregation, provide for better long-term investment options through the provisions of Public Act 314 which will help provide the necessary long-term income needed to meet the care and maintenance needs of the cemetery.

The ultimate goal would be for the Trust to generate enough earnings to pay for all the maintenance costs of the cemetery relieving that burden from the taxpayer and placing it with the lot owner as originally conceived by the Township Board in 1978.

With these goals in mind we asked our retirement attorney, Cynthia Billings, to provide a Trust document that you have before you tonight. Once adopted it will be our intent to submit the Trust to the IRS and receive tax exempt status.

**RECOMMENDATION:**

We recommend that you adopt the Perpetual Care Trust Fund document for the VanHoosen Jones Stoney Creek Cemetery

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APPROVALS:	SIGNATURE	DATE
Department Review		
Department Director		
Mayor		
City Council Liaison		