



Crematory Study Committee

Charge given by Selectmen

To examine all public health, public safety, public works, operational, financial, and quality of life issues associated with locating a crematory Within the Town of Littleton.

Recommendation

The Town conduct a limited feasibility study to include environmental, health and financial information for the following options;

- 1) Build a crematory adjacent to the existing cemetery office
- 2) Build a crematory on another location on cemetery property
- 3) No build

Scope of Services

- Provide cost to build at each of the two locations
- Provide draft business plan
- Provide Life Cycle Cost Analysis/ projection for the equipment and incorporate an annual operating reserve in the project budget
- Operational costs – perform modeling at various sales price & crematoriums per year
- Risks – Provide analysis/ projection of financial risks and operational risks
- Provide a competitive analysis and projection of future sales of crematoriums within 35 miles
- Consider both private and municipal crematoriums in all analysis
- Study shall include economics of:
 - Death rates for the proposed Littleton market area – per town/ region
 - Cremation rates for the proposed Littleton market area – per town/ region
 - Competition
 - Capacities limited by DEP

- Study shall include an analysis by independent research – (not associated with a crematory manufacturer or from the crematory industry) of the health, environmental, and safety risks associated with the operation of a crematory. This study shall look at:

- Emissions
- Pollutants
- Air quality data
- Reliability of retorts
- Permitting
- Violations
- Affect on neighbors
- Soils
- Testing and frequency of testing
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Littleton Crematory Business Plan Estimate Starting @ \$325 Price

Years	1	2	3	4	5	6	7	8	9	10	Cumulative
# of Cremations	400	430	460	490	520	550	580	610	640	670	
Sale Price*	\$ 325	\$ 335	\$ 345	\$ 355	\$ 366	\$ 377	\$ 388	\$ 400	\$ 412	\$ 424	
Total	\$ 130,000	\$ 143,943	\$ 158,605	\$ 174,017	\$ 190,211	\$ 207,220	\$ 225,079	\$ 243,822	\$ 263,488	\$ 284,114	
Cost Each	\$ 226	\$ 220	\$ 215	\$ 212	\$ 209	\$ 207	\$ 205	\$ 204	\$ 204	\$ 203	
Sales	\$ 130,000	\$ 143,943	\$ 158,605	\$ 174,017	\$ 190,211	\$ 207,220	\$ 225,079	\$ 243,822	\$ 263,488	\$ 284,114	
minus Cost	\$ 90,200	\$ 94,528	\$ 99,036	\$ 103,730	\$ 108,620	\$ 113,710	\$ 119,011	\$ 124,529	\$ 130,272	\$ 136,251	
Less O.H. ****	\$ 2,520	\$ 2,596	\$ 2,673	\$ 2,754	\$ 2,836	\$ 2,921	\$ 3,009	\$ 3,099	\$ 3,192	\$ 3,288	
Gross Profit	\$ 37,280	\$ 46,819	\$ 56,896	\$ 67,533	\$ 78,755	\$ 90,588	\$ 103,059	\$ 116,195	\$ 130,024	\$ 144,576	
10 Yr. Bond	\$ 103,832	\$ 103,832	\$ 103,832	\$ 103,832	\$ 103,832	\$ 103,832	\$ 103,832	\$ 103,832	\$ 103,832	\$ 103,832	
Net Profit w/10 yr bond	(\$66,552)	(\$57,013)	(\$46,936)	(\$36,299)	(\$25,077)	(\$13,243)	(\$773)	\$12,363	\$26,192	\$40,744	(\$166,595)
20 Yr. Bond	\$ 61,968	\$ 61,968	\$ 61,968	\$ 61,968	\$ 61,968	\$ 61,968	\$ 61,968	\$ 61,968	\$ 61,968	\$ 61,968	
Net Profit w/20 yr bond	(\$24,688)	(\$15,149)	(\$5,073)	\$5,564	\$16,787	\$28,620	\$41,091	\$54,226	\$68,055	\$82,607	\$252,041
Cremations/week	7.7	8.3	8.8	9.4	10.0	10.6	11.2	11.7	12.3	12.9	
COSTS											
Labor ***	\$ 163	\$ 155	\$ 148	\$ 143	\$ 138	\$ 134	\$ 130	\$ 127	\$ 124	\$ 121	
Fuel	\$ 42	\$ 43	\$ 45	\$ 46	\$ 47	\$ 49	\$ 50	\$ 52	\$ 53	\$ 55	
Relining	\$ 11	\$ 11	\$ 11	\$ 11	\$ 11	\$ 12	\$ 12	\$ 13	\$ 13	\$ 14	
misc	\$ 11	\$ 11	\$ 11	\$ 11	\$ 12	\$ 12	\$ 13	\$ 13	\$ 13	\$ 14	
Total **	\$ 226	\$ 220	\$ 215	\$ 212	\$ 209	\$ 207	\$ 205	\$ 204	\$ 204	\$ 203	
*	3% Inflation Assumption										
**	5% Yearly material cost increase										
***	3% Yearly Labor cost increase										
****	OH Consists of 50-% of Cemetery Telephone, electric, heat, etc										
*****	4% Annual Loan interest over 20 years										
Labor											
Salary	\$ 50,000.00	\$ 51,250.00	\$ 52,531.25	\$ 53,844.53	\$ 55,190.64	\$ 56,570.41	\$ 57,984.67	\$ 59,434.29	\$ 60,920.14	\$ 62,443.15	
Benefits	\$ 15,000.00	\$ 15,375.00	\$ 15,759.38	\$ 16,153.36	\$ 16,557.19	\$ 16,971.12	\$ 17,395.40	\$ 17,830.29	\$ 18,276.04	\$ 18,732.94	
Total Salary	\$ 65,000.00	\$ 66,625.00	\$ 68,290.63	\$ 69,997.89	\$ 71,747.84	\$ 73,541.53	\$ 75,380.07	\$ 77,264.57	\$ 79,196.19	\$ 81,176.09	

Note: The Salary above includes a \$50,000 salary for a Cremation Specialist. The Study Group believes the operation may only need a 1/2 time person to perform the cremations, but has been told and believes it would be extremely difficult to find someone with the right experience and skillset for only a PT position, and that during the first years the crematory business will require a lot of time in a sales/promotion role. The Cemetery Board might be able to split this salary in the future with a P/T Cemetery Commissioner position, although that position does not exist today in the town's 2010 budget, so it has been included.

Littleton Crematory Business Plan Estimate Starting @ \$325 Price

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Sale Price*	\$ 325	\$ 335	\$ 345	\$ 355	\$ 366	\$ 377	\$ 388	\$ 400	\$ 412	\$ 424	
Total	\$ 130,000	\$ 143,943	\$ 158,605	\$ 174,017	\$ 190,211	\$ 207,220	\$ 225,079	\$ 243,822	\$ 263,488	\$ 284,114	
Cost Each	\$ 161	\$ 158	\$ 156	\$ 155	\$ 154	\$ 153	\$ 153	\$ 153	\$ 154	\$ 155	
Sales	\$ 130,000	\$ 143,943	\$ 158,605	\$ 174,017	\$ 190,211	\$ 207,220	\$ 225,079	\$ 243,822	\$ 263,488	\$ 284,114	
minus Cost	\$ 64,200	\$ 67,878	\$ 71,719	\$ 75,731	\$ 79,920	\$ 84,294	\$ 88,859	\$ 93,623	\$ 98,594	\$ 103,780	
Less O.H. ****	\$ 2,520	\$ 2,596	\$ 2,673	\$ 2,754	\$ 2,836	\$ 2,921	\$ 3,009	\$ 3,099	\$ 3,192	\$ 3,288	
Gross Profit	\$ 63,280	\$ 73,469	\$ 84,212	\$ 95,532	\$ 107,454	\$ 120,005	\$ 133,211	\$ 147,100	\$ 161,702	\$ 177,046	
10 Yr. Bond	\$ 103,832	\$ 103,832	\$ 103,832	\$ 103,832	\$ 103,832	\$ 103,832	\$ 103,832	\$ 103,832	\$ 103,832	\$ 103,832	
Net Profit w/10 yr bond	(\$40,552)	(\$30,363)	(\$19,620)	(\$8,300)	\$3,622	\$16,173	\$29,379	\$43,268	\$57,870	\$73,214	\$124,69
20 Yr. Bond	\$ 61,968	\$ 61,968	\$ 61,968	\$ 61,968	\$ 61,968	\$ 61,968	\$ 61,968	\$ 61,968	\$ 61,968	\$ 61,968	
Net Profit w/20 yr bond	\$1,312	\$11,501	\$22,243	\$33,564	\$45,486	\$58,037	\$71,243	\$85,132	\$99,734	\$115,078	\$543,32
Cremations/week	7.7	8.3	8.8	9.4	10.0	10.6	11.2	11.7	12.3	12.9	
COSTS											
labor ***	\$ 98	\$ 93	\$ 89	\$ 86	\$ 83	\$ 80	\$ 78	\$ 76	\$ 74	\$ 73	
Fuel	\$ 42	\$ 43	\$ 45	\$ 46	\$ 47	\$ 49	\$ 50	\$ 52	\$ 53	\$ 55	
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Total **	\$ 161	\$ 158	\$ 156	\$ 155	\$ 154	\$ 153	\$ 153	\$ 153	\$ 154	\$ 155	
3% Inflation Assumption											
* 5% Yearly material cost increase											
** 3% Yearly Labor cost increase											
*** OH Consists of 50%-of Cemetery Telephone, electric, heat, etc											
**** 4% Annual Loan interest over 20 years											
labor											
Salary	\$ 30,000.00	\$ 30,750.00	\$ 31,518.75	\$ 32,306.72	\$ 33,114.39	\$ 33,942.25	\$ 34,790.80	\$ 35,660.57	\$ 36,552.09	\$ 37,465.89	
Benefits	\$ 9,000.00	\$ 9,225.00	\$ 9,455.63	\$ 9,692.02	\$ 9,934.32	\$ 10,182.67	\$ 10,437.24	\$ 10,698.17	\$ 10,965.63	\$ 11,239.77	
Total Salary	\$ 39,000.00	\$ 39,975.00	\$ 40,974.38	\$ 41,998.73	\$ 43,048.70	\$ 44,124.92	\$ 45,228.04	\$ 46,358.74	\$ 47,517.71	\$ 48,705.66	

Note: The Salary above includes only \$39,000 of the total salary and benefits for a Cremation Specialist. In this model the other \$26,000 for this person would need to come from another cemetery funding, as it does not exist in the 2010 town budget.

- A majority of the committee feels that a feasibility study should be done to provide professionally gathered information to bring back to the town voters.
- It is important overall that the TOWN vote on whether or not a crematory is built in Littleton.
- In order to make that decision, we feel you need to have as much information as possible in order to make an informed vote.
- This committee has done a lot of research, and that information is available. A professional feasibility study will complete the information gathering and delivering, to you, the voters, so that an informed decision can be made having the best information possible.