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FINANCIAL POST

Mount Pleasant Cemetery Group is a public trust – but it's being run like a private corporation

Diane Francis: It is outrageous that a group of citizens have had to fight to make one of the largest publicly owned organizations in the country more accountable



Mount Pleasant Cemetery in Toronto, which is operated by the public trust Mount Pleasant Cemetery Group.
Tyler Anderson/National Post files



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In 1826, Ontario's founding fathers created a cemetery trust to ensure that people could be laid to rest in perpetuity no matter their religion or means.

Over time, the trust has become a big business and changed its name to the Mount Pleasant Cemetery Group. It now controls \$2 billion in assets which include 10 cemeteries, mausoleums, crematoriums, visitation centres, a pet memorial service and a profitable funeral business. A publicly constituted trust, it operates like a private corporation, makes tens of millions of dollars, and never pays a dividend or taxes back to the people of Ontario or Canada.

Group trustees (who renamed themselves directors) are "pillars" of Toronto society, and for years have elected one another without interference or supervision by the province. They do not disclose salaries, fees, or benefits and this is why they have been challenged in court by a group of concerned citizens. In 2008, the Group's directors attempted to privatize the entity by turning it into a corporation, but the province said a court order was needed to do so and the application was withdrawn.

"This was a stealth privatization of a public asset: I knew this with every single fiber of my being," said Margot Boyd, who has led the group of community activists now suing to make the Cemetery Group publicly accountable.

In 2012, the battle was highlighted in a National Post article by Tom Blackwell. “Has the Ontario government essentially lost track of a Crown corporation that owns \$2 billion of prime real estate, earns millions of dollars, and has spawned two subsidiaries, all competing aggressively in the lucrative death-care business?” he wrote.

In 2013, the citizens sued, asking the Superior Court of Ontario to reaffirm that the asset is a trust created for the benefit of the public. They also asked the Attorney General of Ontario and the Public Guardian and Trustee to recognize and exercise their supervisory jurisdiction. The case drags on. The Group is spending lots on legal fees paid from public funds and the case has cost the citizens group \$150,000 so far. The government won’t comment because it’s before the courts and has been for years.

But this should be a simple administrative matter. The Mount Pleasant Cemetery Group, and its funeral arm, publish an annual financial statement, but do not, for instance, disclose remuneration for directors and management like other public entities do.

There’s no justification for this — and there are other concerns arising from its 2017 financial statements.

Here are three:

1. There is no indication of hands-on supervision or info about director reappointments as well as no itemized disclosure of remuneration or related party transactions.
2. The Mount Pleasant Cemetery Group cites “sales” of \$72 million and general and administrative costs of nearly \$40 million, or 55 per cent. This appears to be out of line. Service Corp., a similar entity, states general and administrative costs of only seven per cent annually.

3. The Group's huge portfolio of investments, apart from real estate and sequestered trust funds, includes \$217.3 million in unnamed "equities" that are not disclosed. Risk instruments are inappropriate.

Public trusts, companies, crowns, groups — or whatever they choose to label themselves — belong to the public and are answerable to governments and taxpayers. It is outrageous that a group of citizens have had to fight to make one of the largest publicly owned organizations in the country more accountable, transparent, and brought under supervision by government.

How many other unsupervised public assets are there across Canada? And when will Ontario simply step in and impose governance and disclosure rules on this one?