

CAPE ELIZABETH MUNICIPAL OPERATIONS REVIEW COMMITTEE
FACILITIES MANAGEMENT SUBCOMMITTEE
DRAFT REPORT

Committee Membership

Subcommittee membership consisted of Cape Elizabeth residents Glenn Kersteen, Jean Ginn Marvin and Mike Vaillancourt. Facilities Manager Ernie MacVane also served on the Subcommittee, in his capacity as staff liaison/municipal employee representative.

Subcommittee Charge

The Subcommittee's goal was to conduct a comprehensive review of the Town's Facilities Management Department to identify possible areas for improved efficiencies for the purpose of attempting to unearth potential sources for potential cost savings. The Subcommittee considered a host of options in conducting its review.

Subcommittee meetings occurred on November 19, 2009 and again on January 28, 2010. Both meetings took place at the Facilities Manager's office.

Facilities Department Functions/Responsibilities

Facilities Management Department offices are situated at the rear of the High School. The Department consists of only two (2) staff members: Manager Ernie MacVane, who works on a half-time basis, and an administrative support person, whose workweek is limited to ten (10) hours per week. **But, 4 Maintenance Mechanics? Are these school employees? Do they work on town buildings, or only school buildings?**

The Department is responsible for managing and maintaining all Town-owned buildings, ranging from the Public Safety Buildings, to Fort Williams buildings, to Town

Hall. A comprehensive list of all forty (40) buildings is attached here as Appendix A. To maintain these buildings, the Department is tasked with maintaining the specific buildings, from shell to interior to plumbing and heating systems. The Public Works Department cares for building grounds. Although the cumulative value of the relevant buildings is approximately \$50 million, the Department's annual maintenance budget stands at \$55,000.

Aside from building maintenance, the Department is also responsible for energy management in all Town-owned buildings. The Department's energy management responsibilities extend to all Town school buildings.¹

Costs for which the Department must budget and take responsibility, aside from maintenance costs identified above, range from purchasing flags, to pest control, to elevator certification inspections and boiler certificates. Of course energy costs are most substantial, consisting largely of the purchase of heating oil, electricity and water. In fact, in 2009, the Department purchased 26,121 Gallons of fuel oil for building heating purposes; 557,874 kilowatt hours of electricity; and 821 gallons of propane. Ernie, is this true? To energy costs come out of your budget, or elsewhere? I'm unclear on this. What is the total Department budget?

Departmental Accomplishments/Efficiencies

The Subcommittee notes that the Department has taken a number of steps in recent years to ensure that Department runs as efficiently as possible from a cost-perspective. For example, in the area of energy efficiency, the Department recently

¹ The buildings list set forth within Appendix A does not include school-related buildings, but only Town-owned buildings that are maintained and utilized for purposes other than K-12 education.

conducted a complete energy audit with respect to building energy usage. Ernie, when was this completed? What were the findings?

The Department has also worked to cut labor-related costs. The Department's budget reflected a payroll for FY 2009 of \$69,193. However, the Department budgeted only \$35,200 for FY 2010, largely due to Manager Ernie MacVane's reduction from full-time to half-time status, resulting in a clear savings to Town taxpayers.

Furthermore, the Department has made efforts to consolidate its operations with the school department (I think the 4 maintenance workers is an example of this, is that right?)

Finally, the Department Manager regularly works in conjunction with the Town Manager's office to submit grant applications. Because of these efforts, the Town most recently submitted a grant application for funds to be used for energy efficiency retrofits.

(Ernie, any word on this? Any \$ awarded?)

In fact, the only budget line item showing an increase was relative to consolidated building management. That increase was limited to 2.2%, a \$1,200 increase from FY 2009 to 2010.

Departmental Challenges

The Department also faces a number of challenges. In particular, the Subcommittee noted the budgeting quandary of maintaining a building inventory of \$50 Million on a shoestring maintenance budget of \$55,000. Aging HVAC systems and equipment are symptomatic of the problems faced in this regard.

- Aging HVAC, equipment (School, too)
- Inadequate funding for capital improvements (?Numbers?)

Facilities Fundraising

Although not reflected in the Department's budget, rental and other usages of certain Town Facilities do result in fees generated for the Town's benefit. (Ernie, is it right that these fees are paid into Town Hall's account? How does that work? If you don't know, just say so and I'll touch base with Debbie Lane) For example, Spurwink Church is available for weddings and other such functions (fees generated?) Certain portions of the Fort Williams facilities and Community Services Building are other examples of facilities rentals from which the Town generates some level of revenue.

Recommendations

While the Subcommittee lists a number of Recommendations upon which the Subcommittee believes the Town Manager and the Town Council should take action, the Town Council should note that first and foremost, this Subcommittee recommends that the Town consider whether a further, more detailed analysis of Town facilities management should be undertaken. In short, the Subcommittee is composed of Town residents, who, while dedicated to the cause of improving Town operations and conserving tax dollars, are not consultants or facilities experts who possess a great deal of experience in this area. Additional study, likely undertaken by paid professionals, would not come without cost, but may be warranted nonetheless. In short, the Subcommittee is uncomfortable with the concept of the Town ending its inquiry with this simple Report.

Nevertheless, the Subcommittee makes the following recommendations:

- 1) **LED-based lighting systems:** The Town should consider the installation of LED-based lighting, given the Facilities Manager's belief that such lighting results in a substantial energy savings over a relatively short period of time.

- 2) **Energy Management Systems:** The Town should consider expansion of its energy management systems. In essence the Facilities Manager can now regulate the heating, cooling and lighting of many of the Town's buildings, inclusive of school buildings, remotely through an elaborate computer system. This system not only serves to save money from an energy management perspective, but it also alerts Town staff and emergency personnel to substantial increases or decreases in internal temperatures, further protecting these valuable assets from fires, frozen pipes, etc. It is the Subcommittee's understanding that these systems are expensive, so Town staff must continue to weigh the costs and benefits associated with outfitting additional buildings.
- 3) **Heating/Fueling Upgrades:** The Town must continue to evaluate heating and fueling sources and components. For example, the Facilities Manager relayed to the Subcommittee his belief that the Town Hall Heating system is archaic, and must be replaced in the short-term to realize energy conservation-related savings. The Subcommittee also believes that the Town should consider alternative energy opportunities, such as biomass and natural gas. Clearly, the Subcommittee anticipates very high initial costs associated with converting the Town's energy source to biomass or natural gas. Yet, the Town should weigh its options to determine how quickly those initial costs could be offset by potential energy efficiency savings.
- 4) **Prospective Sale of Town Facilities:** The Subcommittee reached the obvious conclusion that maintenance and upkeep of \$50 Million worth of buildings is an expensive proposition. Given the Town's current budget limitations,

certain buildings will continue to receive less attention than is necessary to maintain value. While the current real estate market is decidedly unfavorable, the Town should continue to evaluate whether certain facilities are ripe for sale to third parties. The selective sale of certain of the Town's buildings would result in decreased maintenance costs, as well as the obvious resultant profit associated with the building sale.

- 5) **Revenue Opportunities:** As noted earlier in this Report, many of the facilities maintained by the Town offer current or prospective opportunities to raise funds. The Subcommittee talked about a number of different properties, as well as property uses. The Subcommittee believes that the Town should revisit limitations on the use of certain of the Fort Williams facilities, in particular the building that previously housed the Day One offices, as well as the former officer's quarters. Specifically, the Town should establish guidelines permitting some limited for-profit uses of those facilities. While on the topic of the Fort Williams Property: The Subcommittee notes that the Town and indeed the public have agonized over potential fundraising opportunities at the Fort for a number of years. The Subcommittee further recognizes that certain committees and organizations have been specifically tasked with evaluating possible fee-related uses for the Fort. Without devaluing or disregarding the hard work that has gone into these deliberations, the Subcommittee recommends that the Town continue to evaluate additional, fee-related uses. For example, the Town should seriously consider opening certain portions of the Fort property for catered events with limited hours and

limited capacity, which events might include alcohol possession/consumption. The Town should also adopt a fee schedule for commercial traffic, consisting of tour buses and trolleys. In short, these businesses profit from the Fort, they should share in the Fort's commensurate costs.

The Town should also ensure that all rental rates for social events (such as at Spurwink Church) are "close to market." The Subcommittee uses the preceding term because it believes in the importance of the Town refraining from establishing itself as a commercial property management entity, but nevertheless, let's not "give away the farm."

The same can be said for longer-term leasehold rates: These, too should be "close to market" in value. The Town should also consider some limited, prudent venues for marketing both the short-term event and longer-term leasehold venues throughout the town.

- 1.) Ensure event rentals are similarly "close to market." (Spurwink Church, Fort, etc.?)
- 2.) Some limited, prudent, marketing of venues offered by the Town?
- 3.) Fort: Defer to recent ?Fort Williams Committee? Report, but other opportunities? Tour boat lobster bakes? Limited hours for events? Limited (catered and insured) beer/wine service? Commercial vehicle (tour buses, trolleys, etc.) admittance fees?