

## **Advisory Report of the Consolidated Facilities Exploratory Committee**

To the Honorable Board of Selectmen

January 7, 2008

### **I. Summary**

The Consolidated Facilities Exploratory Committee (the “Committee”) strongly urges the Board of Selectmen, in cooperation with the School Committee and other town boards and officials, to implement as soon as possible a consolidation of building maintenance, repair and capital planning support functions into a newly created town Facilities Department. The town has well over a million square feet of space in three dozen or more buildings and structures. In the past approximately 10 years, the town has spent nearly \$170 Million to construct or renovate more than 700,000 square feet of space in its schools buildings, main library and senior center alone. These new buildings must be cleaned and their complex HVAC and other systems must be maintained. At the same time, the Town’s other pre-existing facilities must be maintained and, in many cases, are in need of substantial repair. Particularly in times of limited financial resources, the Committee is of the opinion that a consolidation of building-related functions into a new professionalized Facilities Department provides the best opportunity for the most efficient use of the town’s limited financial resources and for the planning and prioritization necessary for the long-term use and preservation of the town’s building assets.

The proposed consolidation will not be a simple process. It requires the cooperation and participation of many town officials, boards, committees and departments, as well as town employees and their unions. Fortunately, in the Committee’s work, it has found among town departments and officials near universal

support for a proposed consolidation. Town departments have begun to work together in limited ways to try to wring efficiencies from tight budgets. However, with the Town's current decentralized structure, such joint activities are the exception, rather than the rule, and require extraordinary efforts by town officials to put into place and maintain. Thus, these efforts have had limited success. At this point, all departments appear to recognize the financial challenges the town faces and that there is no real choice but to seek the most efficient way possible to provide needed town services. Whether or not difficult, the process must begin as soon as possible.

This report describes the Committee's processes, findings and recommendations. The Committee sought to understand how the Town was handling its cleaning, maintenance and repair and long-term capital needs and at what cost. We examined models used in other towns to determine the pros and cons of various approaches and their potential application in the Town of Milton. As described in detail in this report, we have concluded that consolidation of building cleaning, maintenance and long-term capital planning support functions under a single town facilities department should be undertaken as soon as possible.

In this endeavor, we have attempted to look carefully and critically at the Town's processes, systems and outcomes to determine what the Town is doing well and what it can do better. Criticism of processes, actions or outcomes should not be seen as criticism of the Town boards, committees, officials or employees with a role in these matters. In general, town officials and employees, whether paid or volunteer, are dedicated to their tasks and to producing the best outcomes possible given available options and resources. Most often, where we found shortcomings we also found structural or systemic hurdles or

inadequate resources, either financial or personnel-related, were at the root of the issue. We hope that this report will identify ways to improve some of these issues.

This report is intended to be a first step in a process toward consolidation. It provides an outline to move the consolidation process forward but does not purport to contain all of the specific details regarding the consolidation process or the end result of the process. Those specifics must be developed through a collaborative process which will involve all departments, officials, employees or other parties with a stake in the process.

## **II. Committee Charge**

The Consolidated Facilities Exploratory Committee was formed by the Board of Selectmen in January, 2008 to “investigate the possibility of creating a new Town of Milton Facilities Department by combining pre-existing and anticipated maintenance services that presently take place through separate departments within the Town and the School Department.” (Committee Charge, Exhibit A).

The Board of Selectmen appointed the following individuals to the Committee: Anthony Cichello; Mary Cobb; Selectmen Kathy Fagan; School Committee members, Christopher Huban and Lynda Lee Sheridan; Richard Williams, and Jeremiah Cahalane. The Committee designated Anthony Cichello as Chairman and Mary Cobb as Secretary. In addition to the roles of Selectmen and School Committee members noted, members of the committee have served on the School Building Committee, the School Committee Facilities Subcommittee, and the Warrant Committee. In addition, two committee members, Jeremiah Cahalane and Richard Williams, have substantial experience in private sector property and facilities management.

The Committee was charged to investigate and prepare a report listing the perceived benefits and/or obstacles of a proposal to combine building maintenance services into one department. If after investigation, information gathering and deliberation the committee were to determine such a plan worth exploring, the committee was charged to provide its recommendations, including a listing of the items which would have to be addressed should the Board of Selectmen choose to pursue such a course of action. The primary identified goal and focus of the Committee's charge was the management and maintenance of the town's buildings and building services. Subsidiary identified goals were energy and other cost savings and increased efficiency in the provision of services. The Committee was also charged with identifying statutory and regulatory changes that might be required and to take into account contractual obligations of the Town.

While the Committee's primary charge related to the Town's buildings themselves, the Committee also considered the extent to which other areas should be considered for inclusion in a consolidated facilities department. Among the matters considered were building grounds, parking areas, and athletic fields, as well as purchasing and IT functions.

### **III. Committee Process**

The Committee met approximately twice a month from March 2008 through the date of this Report. The Committee quickly identified several primary information-gathering tasks that would be required. First, the Committee sought to identify Milton's buildings and physical assets and to understand how, by whom, at what cost and with what success Milton was maintaining these buildings and related assets. We sought

information regarding three primary areas: (1) basic cleaning services; (2) maintenance and repair functions; and (3) long-term capital needs and issues.

We defined cleaning services to include basic cleaning and upkeep of the building, which would include activities such as sweeping, mopping, floor polishing, window washing, trash removal and similar activities. We defined maintenance and repairs to include activities associated with the maintenance and repair of heating, ventilation and air conditioning (“HVAC”) and other systems, servicing of boilers or other equipment, maintenance and repair activities. Typical activities would be performed pursuant to a work order and might require the skills of a carpenter, electrician, plumber, painter or similar tradesperson. We defined long-term capital needs as those relating to major building systems or components, such as roof or boiler replacements, large window replacement projects or other extensive repair, renovation, addition or new construction projects. Included in this review was an analysis of the town’s processes for evaluating, implementing and funding such projects.

To obtain the necessary information, the Committee worked closely with Town Administrator Kevin Mearn to solicit documents, input and information from town departments, officials and committees. We meet with a series of town departments and, in some cases, elected Board members of the following:

- the Police Department
- the Fire Department
- the Department of Public Works
- the Cemetery Department
- the Library Department;

- the Parks Department; and
- the School Department.

Our meetings with the School Department included meetings with Superintendent Mary Gormley, Assistant Superintendent John Phelan, Assistant Superintendent Paul Hilton, High School Principal John Drottar, Tucker Principal Drew Echelson and Facilities Director William Ritchie. We also reviewed reports and information from the School Committee's Facilities Subcommittee, past and present members of which were on our Committee. In addition, the Committee met with:

- the Town Accountant;
- the Capital Planning Committee;
- the Planning Board; and
- the Warrant Committee.

We also met with the head of the custodial union at the Milton Public Schools to solicit input and concerns that the custodial union might have about a consolidation process. In addition, the Committee consulted with and solicited input from numerous other town employees and officials.

We sought to provide each department and committee an opportunity to explain the facilities that they managed and how they did so. We sought to understand the financial resources and personnel, including licensed tradesmen, that were available to the various departments to perform their functions. We sought input as to any issues or challenges that their particular facilities posed. We sought input from each department regarding the possible consolidation of building maintenance or other functions. In doing so, we specifically requested that the departments advise us as to their view of the

potential pros and cons, as well as any obstacles or concerns, with a town-wide consolidation of building management functions. We obtained budget and cost information from the various town department and the School Department to try to examine the cost for services.

Second, we sought to determine how other towns managed their facilities and what other organizational or functional models had been considered and implemented in other towns. We sought information from approximately 20 communities that had considered and/or implemented various types of departmental consolidations. We had presentations from officials involved in consolidations in Andover, Bedford, Lexington and Needham and spoke with representatives of many other communities. From each community, we sought to understand the model they had developed, how they had gone about implementing it, the successes and challenges that they had faced and how, if at all, the changes had affected their cost structure.

#### **IV. Committee Findings regarding Current Milton Practices**

##### **A. Inventory of Town Facilities**

Milton currently has more than 36 buildings with a total square footage of well over a million square feet under the control of many different town departments and/or committees. See listing of structures at Exhibit B. The School Department's six school buildings comprise by far the largest component of that space with more than 680,000 square feet in the six newly renovated or constructed schools buildings. This includes an increase of 235,000 square feet or 53 percent from the pre-construction school buildings. In addition, the Town owns three substantial library buildings, including the 36,000 square feet in the newly renovated main library building, which has increased

approximately 10,000 square feet in size during its current renovation/addition process. Other structures include the new senior center, constructed less than 10 years ago, Town Hall, the police station and three fire houses. There are also numerous structures at the DPW yard, including several offices, multiple garages and storage sheds, a workshop occupied by the Parks Department, and the recycling center. There are buildings on the cemetery property, including the caretaker's house, the newly renovated office space and various barns and sheds in which equipment is stored.

The Town also has substantial grounds, parking areas and fields associated with these buildings. The buildings are located on many acres of town-owned land. The school properties alone total approximately 45 acres. The schools, main library, senior center and town hall all have substantial parking areas that must be lit, plowed and otherwise maintained. There are many acres of lawn to be mowed and substantial building-related sidewalks that must be cleared of snow in the winter. These areas also have other structures that must be cared for, including the gazebo on the Town Green in front of Town Hall and two concession stands located at Brooks Field and by the Little League field on Gile Road. In addition, the town owns or controls numerous athletic fields at various locations throughout the Town and under the control of and maintained by the Parks Department or, in some cases, the School Department.

**B. Cleaning and routine maintenance of Town facilities**

Provisions for the cleaning of town buildings vary substantially by department. Overall, the town uses a combination of in-house staff, a shared outside vendor used by multiple departments and department-specific outside contractors.

## **--School Facilities**

To clean its 6 school buildings and 680,000 square feet of space, the School Department uses a staff of 25 custodians. This includes 7 custodians at the high school, 6 at the middle school and a total of 12 custodians spread among the 4 elementary school buildings. These numbers constitute a reduction of staff over historic levels. For example, in 1988, the School Department had 33 custodians. Gradually, that number has been reduced to the current 25. It is also noteworthy that, although the school building project added more than 235,000 square feet of additional building space, no additional custodians were added to clean this substantially increased area.

The School Department follows a site-based model with respect to the general maintenance and cleaning of its buildings, with each school having a head custodian and custodians typically assigned regularly to the same school. The rationale for this system is to seek to have employees take ownership or pride in their building and how it is maintained. There is at least one custodian on during each school day at each school and a number of additional custodians on in the afternoon or evening hours, who handle the routine cleaning of the buildings.

All custodial staff are unionized and members of AFSCME Local 1395. In addition, the school custodians, per a vote of the 1947 Annual Town Election, are members of the state civil service system. Many of the schools' current policies and practices regarding the deployment and responsibilities of custodial staff are subject to contractual work rules, changes to which would require a bargaining process with the union.

## **--Town Departments and Facilities**

The town departments use a variety of arrangements for cleaning services. In recent years, the DPW, on behalf of a number of town departments, has bid out under one contract the cleaning services for multiple town buildings. Currently, a single vendor, under the supervision of the DPW, does cleaning at town hall, the library buildings and the senior center. This arrangement appears to be working reasonably well and to have resulted in substantial efficiencies and costs savings. However, some departments reported at least periodic concerns about the quality of the services provided and the responsiveness and accountability of outside contractors to multiple users and departments.

Other town departments employ individualized or ad hoc arrangements. For example, the Police Department hires its own personnel for cleaning services in part due to concerns regarding security and access to sensitive areas at the police station. The practice at the Fire Department is that department employees do the routine cleaning and upkeep at the fire stations when they are not out on a call or engaged in training exercises.<sup>1</sup> Any cleaning or upkeep of Cemetery or DPW garages, sheds and barns, as well as offices space, is generally done by employees of those departments.

Town employees engaged in cleaning and upkeep of buildings are members of the Milton Public Employees Association and bargain collectively with the Town.

## **--Parking Areas, Sidewalks, Grounds and Fields-related Upkeep**

Routine upkeep of parking areas, sidewalks and lawns varies greatly across departments. The DPW handles plowing and maintenance of town parking lots and

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<sup>1</sup> It is noteworthy that Milton has adopted the “strong chief” model, which provides the Fire Chief with expanded management authority over Department personnel and property. M.G.L. c. 48, §42.

entrance driveways. It assists with plowing of school parking areas in certain storm events. Arrangements regarding mowing vary widely and are often arranged on an ad hoc basis by and between department heads. For example, in recent years, the Park Department has mowed lawns for the Police Department. The Fire Department employees typically mow and maintain areas near their buildings. The School Department maintains the school department property and the area along Gile Road.

Upkeep of athletic fields is primarily the responsibility of the Parks Department, although the School Department maintains certain fields under its control, including the artificial turf surface at Brooks Field. Overall, the Parks Department maintains many acres of fields, including in recent years state-owned fields at Houghton's Pond.

### **C. Maintenance and Repair**

Maintenance and repair work is done on an ad hoc basis depending upon the nature of the task and the resources available by department. In general, the resources available to town departments, including the school department, to meet routine maintenance and repair needs appear to have decreased over time and to be inadequate. At present, the School Department has 2 general maintenance workers. It also has a currently unfilled position for a specialized HVAC technician to maintain the schools' HVAC systems. The HVAC position has been difficult to staff in recent years, with the School Department having difficulty attracting or keeping quality technicians in light of, among other things, competition with higher-paying private sector positions and uncertainties in the school budgeting process. As a result, the position has been vacant for substantial periods in recent years, resulting in work being performed either by less skilled staff or, in many cases, by higher cost outside vendors.

In any case, the number of maintenance persons is substantially reduced from historic levels. As recently as 2003, the School Department had 5 maintenance persons. Some of this reduction is due to the shifting needs and priorities in the new buildings. For example, there is less consistent need for carpentry services, locksmith services and metal work in the newly renovated buildings than in the buildings before the school building project when the buildings averaged 65 or more years old. However, the new buildings require substantially enhanced resources to deal with complex new plumbing, HVAC and electrical system issues and in-house personnel to handle these items are simply not currently available. Further, over time, these buildings will require increased maintenance, including carpentry, painting and many other services.

There is some interdepartmental sharing of maintenance resources. Examples include:

- the Senior Center and the DPW allocate between them a shared full-time employee who splits his time between the Senior Center and the DPW, working at the Senior Center each morning to assist with set up and for two half days per week or to handle emergencies.
- The DPW bucket truck is, at times used to change parking lot lights in School Department parking areas. This use is limited, however, because, whether as a result of union work rules or other reasons, such work is only done outside normal hours on an overtime basis. As a result, the School Department has, at times, had to hire outside vendors to perform this work.

Overall, however, as a result of the lack of adequate in-house maintenance resources, the town departments and School Department often either defer maintenance and repairs or are required to contract out for necessary services. For example, as noted, the School Department, without an on-staff electrician or plumber, is frequently required to contract with outside vendors for plumbing and electrical services. To the extent that

the School Department and other departments lack in-house maintenance staff and are forced to contract with outside vendors, they often pay a substantial premium over the cost of services if they were provided in-house.

The deferral of maintenance is a serious concern to the Committee. The Town has a history of deferring maintenance, as was evidenced by the condition of the school buildings and the main library building prior to their recent renovations. The School Department's Facilities Subcommittee estimated that, prior to the school construction project, the school department budget for maintenance and repair and for capital expenditures and reserves was systematically underfunded by \$650,000 per year or more. It estimated that once the new buildings came on-line, hundreds of thousands of dollars in additional annual funding for maintenance and capital reserves would be required to maintain the buildings over the long-term. Since the buildings have come on-line, additional funding has not been forthcoming.

A continuation of policies of systematic deferral and underfunding of maintenance and capital is short-sighted and likely again to cost the town a substantial premium in the long run. The town's new buildings in particular have complex mechanical and other systems that must be serviced and maintained. If they are not, they will not perform as intended, running inefficiently and increasing energy costs, potentially creating air quality issues, and ultimately failing and requiring costly replacement much sooner than they would if properly maintained.

#### **D. Long Term Capital Planning and Implementation**

The Town has made substantial efforts over the years to implement a long-range planning process to evaluate, prioritize and address the Town's long-term capital needs.

Despite the efforts of many, it appears that the process has not been particularly successful and that capital projects are undertaken on an ad hoc basis, either to address an emergency situation or when a particular political constituency and/or funding opportunity spurs the Town to action. Thus, roofs are often not replaced until they have chronic or serious leaks and have damaged the structures they are supposed to protect. The school, library and senior center projects were undertaken to address clear needs. However, these efforts would have not have occurred despite the need without substantial campaigns to garner public support and, in the case of the library and school projects, the opportunity to receive millions of dollars in state funding. At the same time, the town's fire houses are in very poor condition and the DPW and other departments struggle to maintain many of their buildings.

Some departments have had success in privately raising funds to undertake capital construction or repair projects. For example, the Park Department frequently raises funds to construct or repair fields or associated structures or items. The Cemetery Department recently completed the renovation of a storage building into a new office. This project was funded entirely by a grant from a local foundation. The Police Department has had substantial success in raising funds through Homeland Security or other grants or funding to manage many of its repairs or capital needs.<sup>2</sup>

The Town has established a Capital Planning Committee (CPC) which meets regularly and solicits input from town departments and officials as to capital planning needs or requirements. Capital needs considered by the CPC include building and

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<sup>2</sup> It is noteworthy that the School Department raised approximately \$8.5 million in private funds from the Copeland Family Foundation and the Cunningham Foundation to add to the school building project. The library also raised approximately \$1.4 million in private funds, along with a state grant of \$3.68 million, to reduce the cost to the Town of its recent \$13.4 million renovation of the main library building.

grounds-related issues, as well as vehicles and equipment, such as police cars, fire trucks, excavating equipment and lawn mowers, as well as the Town's IT needs.

However, the CPC has limited information available to assist it in evaluating or prioritizing capital needs. For example, although some departments have done facilities assessments at different times, there is no current comprehensive facilities assessment of all town buildings. Most of the requests to the CPC for capital items relate to current or near-term capital needs. There has not been any systematic effort to do a comprehensive life cycle analysis of all town buildings so that the CPC can forecast and anticipate when the components or systems of various structures will likely need repair or replacement.

Finally, the capital planning process suffers from a chronic lack of funding. There is no dedicated source of funds for capital projects. A relatively small number (both in number and dollar amount) of capital projects are funded under the Proposition 2 ½ levy limit. Most capital projects are funded by capital overrides and bond funding. However, a capital override provides only a one-time spending authorization and does not provide a continuing source of funds for future capital projects or expenses.

As a result of a chronic lack of funding, the CPC tends to recommend funding primarily equipment, such as police patrol cars or occasionally a needed fire truck or backhoe, limited IT equipment and very limited repair or maintenance projects. The bulk of the items requested by the departments, including those identified by the CPC as priority items, remain unfunded and are rolled over until the following year. This has the effect not only of deferring needed maintenance but also of discouraging departments that see their needs go unmet.

## **E. Town Budget and Cost Information**

The Committee sought input from various Town departments regarding department budgets and actual expenditures for cleaning and maintenance services. The data provided is often difficult to compare across departments because of the very different nature of different buildings, as well as the disparate functions and extent of use of the various spaces.

The Committee also sought data from other towns, from public universities and from private sector sources to compare our costs to those of other municipalities, educational facilities or private parties. Limited municipal data was available and the Committee does not have a great deal of confidence in either the accuracy of the data reported or that the data it was able to obtain is reported consistently by category across the data set. For example, it is not clear that the available data relating to school maintenance and cleaning costs from other communities measures the cost for performance of the same functions or services. Nor is there any information regarding comparability of buildings in terms of size, age or condition across the various systems.

Despite the limitations of the available data, it appears that the cost of cleaning services provided by in-house personnel seems to substantially exceed on a square foot basis private sector costs, as well as the cost of the contract services used by the town at various buildings. Some of the higher cost associated with in-house services may relate to the fact that custodial staff may have additional responsibilities beyond those that would be performed by contract cleaning services. However, it may be that some portion of the higher costs are explained by the practices or strategies employed in connection with the provision of in-house services. Because the potential for cost-savings appears

substantial, the Committee strongly urges the Town to explore whether we are delivering cleaning and routine maintenance services in as efficient manner as possible.

As noted above, the data obtained from the Town also indicates that the Town has disinvested in maintenance employees over time, delaying maintenance and shifting expenditures to outside contractors.

#### **IV. Models for Facilities Management—The Experience of Other Towns**

The Committee sought to understand how other towns comparable to Milton organized and addressed their building cleaning, maintenance and repair and capital needs. As noted, Committee members spoke to representatives of numerous communities and the Committee had in-depth presentations from officials involved in consolidation efforts in Andover, Bedford, Lexington and Needham. While the solutions reviewed and adopted varied by community, overall there appeared to be a strong trend toward consolidation.

The potential models for organizing management of town facilities range from a decentralized, department by department approach to a centralized single department with overall responsible for all town building, capital, purchasing and other related needs, to variations in between.

##### **Traditional Decentralized Management Model**

The traditional model used by most communities has been a decentralized approach. The level of decentralization often varies by community. At a minimum, there is typically at least a division between school and other town facilities. This division is dictated by Massachusetts law which, by default, puts the maintenance of school buildings in the control of the school department. However, even among town

departments, there is often a further balkanization of functions, with individual town departments often having responsibility for their own building management needs.

This decentralized approach is the one that Milton has historically followed. Thus, the School Department is responsible for its buildings, Police Department for the police station, the Fire Department for the fire houses, the DPW for the DPW yard and its structures, etc. In addition to handling their ongoing cleaning and maintenance and repair functions, individual departments are also responsible for identifying their capital needs and, as a practical matter, for advocating to have these needs met. These individual department managers do not specialize in and, in most cases, have very limited or no training or experience in facilities management.

### **Centralized Management**

At the other end of the spectrum, certain towns have adopted a wholly centralized management approach to their facilities management. Several examples illustrate how such a structure can operate:

#### **Andover**

The Town of Andover has adopted a highly centralized approach to all such functions into a single Plant & Facilities Department which includes the following divisions:

- Buildings
- Cemetery
- Facilities Services
- Forestry
- Mechanical/Electrical/Plumbing
- Parks & Grounds
- Vehicle Maintenance

See attached Organizational Chart. This Department handles all building and maintenance needs, as well as capital planning and implementation. The Andover model, however, has not fully integrated school custodians, who remain under the control and supervision of the School Department. The Department handles a number of functions that in Milton are managed by the DPW, including forestry and vehicle maintenance. It also handles all of the functions handled in Milton by the Parks Department and Cemetery Department. It is noteworthy, however, that in Andover there is no elected board to manage the Parks Department or Cemetery Department as is the case in Milton.

The Director of the Plant and Facilities Department is technically employed by the Town of Andover under the Town Manager but, by agreement, has a dual reporting relationship to both the Town Manager and the Superintendent of Schools. The Director indicated that constant communication with and accountability to both the Town Manager and Superintendent is essential to making such an arrangement work. The arrangement has been in place in one form or another in Andover for a number of years and is identified by many as successful.

### **Needham**

The Town of Needham has had its Consolidated Facilities Plan in place for approximately ten years. After much research, the Town modeled its plans after one adopted by the Town of Danvers. Maintenance for the Town Buildings is provided by a mixture of Town employees and outside contract employees. Capital planning is done by one department and therefore is more accountable to the needs of the Town. A member of the Capital Planning Committee is also a member of the permanent Building Committee. Negotiations with the Unions, although difficult, were furthered by an

agreement to combine unions and through attrition of employees. All town departments report to the Town Manager and the Director of Facilities.

### **Lexington**

Efforts have been made in Lexington over several decades to consolidate school and other town building maintenance and capital planning. The effort in 2007 that was finally successful was spearheaded by the Town Manager, who had been involved in a consolidation of facilities in Needham. Not surprisingly, the plan adopted by Lexington largely paralleled that used in Needham.

To implement the plan, the Lexington School Committee, Board of Selectmen and Town Manager entered into a Memorandum of Agreement and began to implement a consolidation process. The goals of the process were

1. To operate and maintain buildings efficiently through increased efficiency of in-house resources and outsourcing as necessary
2. Protect Capital Assets via a Preventive Maintenance Program
3. Capital Planning including development of a master plan and five year capital plans

This 3 year process creates a Department of Public Facilities, headed by a Director of Public Facilities, to manage school and other town buildings and to facilitate capital planning processes via a centralized Department of Public Facilities. The Director reports to a Public Facilities Board, which is composed of the Town Manager and Superintendent of Schools. The Director of Facilities oversees the maintenance budget, capital improvements and a member of the staff is also a member of the town's permanent building committee. The Director reports to the Superintendent of Schools and the Town Manager. Some positive results noted after one year include sharing of

staff skills and a better handle on energy costs. Challenges included jockeying for control between the Board of Selectmen and the School Department, each of which sought ultimate control over the Public Facilities Department. Negotiations with the various unions were also challenging.

Other towns that have implemented one form of consolidation or another include the following:

- Lynnfield- All maintenance operations for the Town and School facilities and grounds are now handled by the Facilities Dept.
- Boxborough – Has already consolidated all IT functions and is pursuing a plan of a consolidation of facilities management.
- Ipswich – Consolidated Facilities since 1996. Facility Manager is an employee of both the school and Town and is jointly supervised by both the Town Manager and the Superintendent of Schools
- Williamstown- consolidated all Municipal Buildings, Grounds , Parks and Cemeteries.
- Southborough – Consolidated all Town Buildings & Grounds but created a separate School Consolidated Facilities branch.
- Barnstable- Consolidated all IT, payroll, HR and finance functions for entire Town and Schools Contemplating facilities management consolidation , too, but at this point do not believe it will be cost effective for them.
- Danvers –provided model for Needham and Lexington

Many communities are currently exploring or have begun consolidation processes of one sort or another, including:

- Norwood
- Belmont
- Littleton
- Dedham
- Woburn
- Westford
- Chelmsford
- Andover
- Wilmington

Some communities have explored consolidation and failed to implement it. For example, the Town of Greenfield made an effort to consolidate which failed, apparently

as a result of opposition from the School Committee. Greenfield is now sponsoring legislation to allow for mayors/selectmen to consolidate various functions without the necessity of a majority vote of the school committee.

#### **IV. Committee Analysis and Recommendations**

##### **A. Analysis and Conclusions regarding Milton's Current Situation**

Milton has a substantial challenge ahead of it to maintain its current physical plant and to meet the Town's future needs. Regarding these challenges, the Committee has drawn the following conclusions:

- Milton's existing buildings (other than the new schools, main library and senior center building) and the systems in them have, in many cases, outlived their expected useful life and are in need of substantial repair, renovation or replacement. In such condition, they are challenging and costly to operate and maintain.
- The Town's new buildings have added hundreds of thousands of additional square footage to clean and maintain. These new buildings include complex HVAC and other systems that will require substantial ongoing maintenance and, in the years ahead, will eventually require repair and replacement. Failure to maintain these systems will result in inefficiencies and increased energy costs, early failure and need for replacement and potential risks, such as poor air quality, for users.
- The Town has systematically under-invested in the resources it devotes to its facilities, paring budgets and personnel to an often unsustainable level. At the same time, the existing organizational structure, along with collective bargaining agreements and other issues, appear to have resulted in the Town not deploying existing resources in the most efficient manner possible.
- The Town has systematically cut custodial personnel over the years, even as the square footage required to be cleaned and maintained has grown substantially. At the same time, the data available from public and private sources and the Town's experience with third party contracting for certain services would appear to indicate that additional efficiencies can and should be found if the Town deploys its personnel and other resources more efficiently or, if necessary, contracts with outside vendors for certain services.

- The Town has systematically cut maintenance personnel and skilled tradesman on staff over a number of years, resulting in a very heavy reliance on outside contractors for routine maintenance and repair activities. Because of the cost of such third party services, preventive maintenance and necessary repairs are often deferred or are simply not done. As noted, this disinvestment may save money in the short-term but in the long run is likely to cost more, as systems operate inefficiently, raising energy costs, or fail early and require costly repair or replacement. These issues are likely to be particularly acute in the Town's newer buildings, which have more complex systems.
- The Town's capital planning process is largely ineffective. Problems include the following:
  - The lack of funding has discouraged serious planning, as participants know that nearly all capital needs will go unfunded.
  - The Town does not generate sufficient and comprehensive information necessary to facilitate fully-informed prioritization of capital needs.
  - The process is episodic and crisis-driven, often addressing capital needs only after they have become a full-blown emergency (e.g. a roof failure or complete breakdown of a piece of equipment).
  - The Town has no dedicated source of funding for capital needs and has systematically under-funded capital. For the most part, the only capital items that are funded on a somewhat routine basis are equipment, such as police cars, trucks and other vehicles and occasionally IT needs.

## **B. Pros and Cons of Consolidation**

### **--Potential Benefits of Consolidation**

Overall, the Committee's research and participants identified numerous potential benefits of a consolidation of functions including:

- Professionalization of facilities maintenance, providing
  - Comprehensive, long-term approach to management
  - Accountability
  - Increased information regarding facilities and needs, including life cycle analysis, available for capital planning purposes
- Increased efficiencies in the use of personnel and equipment
- Increased productivity
- Increased transparency in budgeting and prioritization process
- Economies of scale in purchasing and deployment of resources
- Flexibility with deployment of personnel and equipment

- Empowering to employees who now have opportunity to gain and use more skills
- More in-house expertise available especially in emergencies
- Potential decrease in use of outside contractors
- Cost savings
- Improved effectiveness in planning and using available bonding capacity to meet long-term facility capital needs
- Ability to show bond ratings agencies that management plan is in place which may lead to higher bond ratings
- Provide long-term savings through longer life of buildings systems and buildings

Long-term, such a plan can allow a town to more effectively deploy limited resources to more effectively provide services to the town and maintain town facilities.

**--Potential Detriments of Consolidation:**

The Committee identified possible detriments of consolidation of functions, particularly if not implemented well. Such possible detriments include:

- Loss of control or responsiveness of staff to end-users
- Potential loss of user- or department-specific expertise
- Lack of accountability
- Potential struggles for control

For the most part, these detriments are a risk if a consolidation is poorly implemented. Experience has shown that in towns that have effectively implemented consolidation programs appropriate to their needs, these potential detriments can be negated or at least minimized and are more than offset by corresponding benefits.

**--Challenges to Consolidation**

Some of the hurdles that will need to be dealt with in order to implement a program of consolidation include:

- Educating/Negotiating with Unions on mutual benefits of consolidation
- Building effective means of control, accountability and responsiveness
- Building trust between various employees and officials to make them comfortable ceding control

### **C. Committee Recommendations**

Change is never easy and there is a certain common sense to not fixing things if they are not broken. However, the Committee is strongly of the view that, despite the best efforts of dedicated town employees, administrators and elected, appointed and volunteer public officials, the current system if not broken, is certainly not the best system to stretch limited available dollars to maintain the Town's buildings and facilities.

The Committee recommends that the Town form a consolidated Facilities Department which would eventually have charge of most, in not all, of the Town's buildings, including the buildings currently under control of the School Department. In addition, the Committee believes that such a department should take charge of some or all of the associated grounds, parking areas, athletic and other fields associated with these buildings, as well as various centralized purchasing and IT functions.

The proposed Facilities Department, in broad strokes, would be constituted as follows:

1. Functions:
  - Responsible for cleaning, maintenance and repair of the Town buildings under control of department;
  - Would provide information and analysis, including comprehensive assessment of capital needs and recommended priorities, to Capital Planning Committee and other decision-makers to permit informed decisions regarding capital spending;<sup>3</sup>
  - Responsible for maintenance of grounds and parking areas adjacent to Town buildings;

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<sup>3</sup> It is the Committee's hope that the Facilities Department would provide information regarding actual capital needs regardless of available funds so that, for example, if the Town made a decision to underfund capital items, it would do so knowingly and with an understanding of the longer-term consequences and costs of such underfunding.

- Responsible for maintenance of school athletic fields;<sup>4</sup> and
- Central purchasing of utilities, supplies and equipment for the Town.

2. Buildings:

Initially, the Committee proposes that the Facilities Department would have charge of at least the following buildings:

- The six school buildings
- Town Hall
- The Senior Center
- The Town's 3 Library Buildings<sup>5</sup>
- Possibly some or all buildings at the DPW yard<sup>6</sup>

Either at the outset or at a future date, the department could also have charge of other structures or buildings, including some or all of the structures at the DPW yard, the Cemetery, the Police Station, the 3 fire houses and any Park Department structures.

However, as noted above, there may be reasons to exclude these buildings at the outset or permanently.

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<sup>4</sup> At least initially, the Committee is not recommending that the Facilities Department have charge of the Parks Department athletic fields or grounds. The Parks Department has developed an expertise in field maintenance and, at least initially, the Committee is not recommending that the Facilities Department assume these responsibilities. There are, however, likely substantial efficiencies to be gained by the more effective cooperation or coordination of the various town and school departments, including Parks, Schools, DPW and Cemetery, all of which have equipment and responsibility for mowing and maintaining substantial portions of town property.

<sup>5</sup> If the Kidder library is rented out or otherwise not devoted to Town purposes after the completion of the Main Library renovations, the Facilities Department may not need to play any role with respect to this building.

<sup>6</sup> These structures at the DPW yard range greatly in type, condition and use. They may need to be looked at on an ad hoc basis to determine whether some or all should be included in a consolidated Facilities Department.

### 3. Leadership of Department and Reporting Relationships

It is anticipated that the Facilities Department would be run by a professional facilities manager. Such a person would have experience in all aspects of facilities management. He or she would also have to be an effective communicator, as effective communication is critical to the success of a consolidation effort.

The Committee recommends a reporting structure for the Director of the Facilities Department similar to the model used in Andover, with the Director an employee of the Town, technically under the Town Administrator but, in practice, reporting to both the Town Administrator and the Superintendent of Schools.

### 4. Timing

The consolidation process may take several years to fully implement. For example, a reorganization may raise issues that impact collective bargaining issues that may not be effectively resolved in the middle of a contract cycle. In addition, the Town may determine to add or subtract different functions to the Facilities Department based on its experience.

However, the Committee recommends that the Town begin the process immediately. The initial and most important focus should be the buildings themselves. The Town has made a huge investment of resources in its new buildings. However, if not maintained, the buildings will quickly deteriorate. Already the Senior Center is nearly ten years old and the first of the renovated school buildings have been in service nearly six years. Any “honeymoon” period of limited repairs or activity will be expiring soon and at a heavy price if appropriate resources are not devoted to the building to ensure that proper preventive maintenance and other measures are undertaken.

5. Possible Hurdles to Implementation:

Milton may have to overcome many of the same hurdles identified by other Towns in connection with their efforts at consolidation. Among these are:

- Resistance to change;
- Building trust;
- Building effective means of control, accountability and responsiveness; and
- Negotiations with unions.

Fortunately, all parties with whom the Committee dealt expressed an openness to a potential consolidation of building management services. The School Department and members of the School Committee, which in some towns have derailed a consolidation process, expressed a willingness to engage in such a process and an optimism that it could and should succeed. This cooperation on the part of the various interested parties may well stem from a general consensus that the resources that the Town has to devote to its buildings and capital needs are limited and that the Town must do anything and everything that it can do to maximize those resources.

That is not to say that the various departments and officials did not express concerns, particularly as to issues of control, responsiveness and accountability. These are issues which will have to be addressed at the outset, by way of an agreement between the relevant parties, and on a day-to-day basis once a process is underway.

It is anticipated that one of the primary hurdles to implementation of consolidation will be working with the unions of the affected Town employees. As noted, the Committee met with a representative of the custodial union, who indicated that members were concerned and uncertain about a possible consolidation. The Committee

is cognizant of the pride that Town employees take in their work. While change can be unsettling, the Committee believes that consolidation offers potential benefits to employees, including potential opportunity for additional training and advancement and job satisfaction.<sup>7</sup>

## 6. Funding

At this point, the Committee is not immediately recommending any substantial additional funding for the Facilities Department. The Committee does believe that the Town's facilities do require additional resources and personnel to adequately maintain them. However, the Committee is cognizant of the current state and local budget challenges and the broader economic conditions that severely constrain any additional spending. It is hoped that one of the functions that a professional Facilities Director will serve is to gather information and educate local officials as to the costs and facility needs of the Town.

The only additional position the Committee is recommending at this time is a Director of the Facilities Department. The Committee anticipates that there will be a corresponding deletion of the Director of Facilities position currently within the School Department. There may be an incremental additional cost to the new position, as the Director of the Facilities Department will have enhanced responsibilities beyond those of the School Department's Director of Facilities and may warrant a higher level of compensation.

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<sup>7</sup> Per an affirmative vote in the March 1947 Annual Town election, school custodians are members of the state civil service. Per Chapter 580 of the Acts of 1980, the Town could choose to take those positions out of the Civil Service law by a vote in the Town Election to do so or possibly through a home rule petition. However, such a vote would have prospective application only and any employees currently subject to the Civil Service law would retain the protections and benefits of that law.

## 7. Proposed Steps in the Consolidation Process

- A pre-requisite to any consolidation of Town and School properties is a vote by Town Meeting to accept the provisions of M.G.L. c. 71, §31M. Once accepted, the School Committee must still vote to permit the Town to manage school properties. The School Committee can revoke its acceptance at any time thereafter.
- Substantial additional work will need to be done in the coming months by the stakeholders in the process to flesh out specifics of a consolidated department. The process should be guided at some level by the Board of Selectmen and School Department which may choose to have it overseen more directly by a committee of their choosing. However established, the process must include a central role for the Town Administrator and Superintendent of Schools, along with other key department officials and stakeholders.
- Agreement between School Department and Selectmen (and possibly including Town Administrator) putting control of school and town facilities in Facilities Department and outlining responsibilities and reporting arrangements.
- Hiring of Director of Facilities Department.
  - The critical position in terms of success of the Department
  - Recommended that hiring be done jointly by Town Administrator and Superintendent, subject to approval of School Department and Board of Selectmen
- Initial Six Month and One Year Reviews (annual thereafter)
  - Evaluate performance versus goals
  - Evaluate satisfaction of departments/users
  - Evaluate possible changes in department responsibilities

### **Conclusion**

As noted at the outset of this report, the Committee urges the Town to proceed with a process of consolidation of building maintenance and management functions as soon as possible. The Committee is persuaded that the potential benefits and savings of such a plan strongly outweigh the effort required to implement it or the possible risks of poor implementation which could, in any case, be reversed if the stakeholders determine the process is not working.

The Committee thanks the many town employees and officials for their assistance in providing information necessary to perform our work and prepare this report. We would also like to acknowledge the assistance of officials from many other towns who provided us with information and insight as to their experiences in dealing with challenges of the type that Milton is currently facing. It is our hope that we have effectively culled out and conveyed in this report the benefit of the experience of these many individuals and provided a solid starting point in a process toward consolidation.

Respectfully submitted,

**Consolidated Facilities Exploratory Committee**

Anthony J. Cichello, Chairman  
Mary Cobb, Secretary  
Jeremiah Cahalane  
Kathy Fagan  
Christopher Huban  
Lynda Lee Sheridan  
Richard Williams