

**Town of Cape Elizabeth
Municipal Operations Review Committee
Outline of Draft Report
August 10, 2010**

Introduction

The Cape Elizabeth Town Council formed the Municipal Operations Review Committee (MORC) in July 2009 and the committee first met on September 15, 2009.

The Town Council asked the committee to review Cape Elizabeth municipal operations to determine their efficiency and effectiveness. The committee held 12 meetings between September 2009 and June 2010. In addition, six subcommittees were formed and each met an average of 4 times.

Committee Membership

Glenn Kersteen, Chair
Richard Bauman
William DeSena
Penelope Jordan
Mary Ann Lynch
Jean Ginn Marvin
David Sherman
Timothy Thompson
Michael Vaillancourt
Michael McGovern, Ex-officio Non-Voting Staff Liaison

Committee Organization

The committee organized itself into six subcommittees as follows:

General Government

Chair Dick Bauman
Bill DeSena
Dave Sherman
Staff Liaison - Michael McGovern, Town Manager

Public Safety

Chair Tim Thompson
Penelope Jordan
Bill DeSena
Staff Liaison - Neil Williams, Police Chief

Public Works

Chair Mary Ann Lynch
Dick Bauman
Penelope Jordan
Staff Liaison - Robert Malley, Public Works Director

Cultural/Community Services

Chair Jean Ginn Marvin

Mary Ann Lynch

Mike Vaillancourt

Staff Liaison - Jay Scherma, Library Director

Facilities/Other

Chair Mike Vaillancourt

Glenn Kersteen

Jean Ginn Marvin

Staff Liaison - Ernie MacVane, Facilities Manager

Revenues

Chair Dave Sherman

Glenn Kersteen

Tim Thompson

Staff Liaison - Matthew Sturgis, Assessor

Committee Process

- The committee familiarized itself with the Council-Manager Charter of the Town of Cape Elizabeth, with the Town's organizational structure, with Maine statutes determining municipal responsibilities, with municipal budgets and with benchmarking data from a limited number of area communities.
- The committee included opportunities for public participation in its deliberations in order to evaluate citizens' views of current services and possible changes in services. These opportunities included one formal public forum and occasional articles on the Town website seeking public comment. In addition, the committee took note of citizen recommendations at forums conducted by other parties and in particular with a forum the Cape Elizabeth School Department held regarding suggestions following a proposed curtailment of state funds for education.
- Municipal staff was given an opportunity by the committee to present data and to answer committee inquiries.
- The committee sought to identify alternative delivery methods of municipal services and/or municipal services to be added, modified or eliminated.
- The committee examined how services are paid for.

General Comments Regarding Committee Process

- The committee struggled with a number of issues during its tenure. We were limited to looking at the municipal (non-school) budget and the issue of health insurance was not within our review as another committee was studying the issue. Thus, we had an opportunity to review only about 27% of total local government spending here in Cape Elizabeth.
- The committee was formed just as the municipal government was adjusting to regional dispatching and other service changes resulting from lower revenues. Thus, the budget process immediately before we began work had identified changes intended to improve efficiency and it made it difficult to again identify opportunities for savings to be realized in the short term.
- The Town Council through its goal setting process was simultaneously identifying potential opportunities to improve efficiency and effectiveness. The committee found itself supportive of the Town Council's initiatives yet it made it more difficult for us to determine our role as the Council was concurrently moving forward with its agenda.
- The Committee found it challenging to engage in discussions that may have affected positions within Town government.
- The committee was divided on the issue of the extent to which outside consultants would be beneficial to our process.

Introduction

This report, by its nature, is critical and offers numerous opportunities for future consideration by the Town Council and municipal management. These criticisms, comments and suggestions are intended to be constructive. Nothing herein identifies the valuable things that are accomplished within the Town or the effectiveness of existing methods of delivering services. Refer to the Appendix for a copy of management's report presenting recent accomplishments within the Town.

Report Components

The remainder of this report is divided into two sections. The first brief section outlines general principles which we believed to be worthy of consideration as we reviewed specific recommendations. The second section of the report identifies specific recommendations for the Town Council and for the community to consider.

General Principles

Limited Government

- Cape Elizabeth is a community that is geographically small in size and has a relatively small and slightly decreasing population. The community is almost totally residential, has no major highways and does not deal with challenges

typically found in larger urban communities. Thus, there is an opportunity in Cape Elizabeth to keep municipal government small and property taxes for municipal services relatively low.

Open Government

- For programs and services to be effective, it is necessary to include extensive opportunities for public participation. MORC notes the Town Council is currently reviewing strategies for greater citizen participation in policy review deliberations. MORC encourages the Town Council to have the communications strategy review be a model on how citizen participation can enhance local decision making. MORC also encourages the Cape Elizabeth website to be a model website for the inclusion of documents and media enabling two way communications with citizens.

Effective Service Delivery

- Citizens in Cape Elizabeth expect services to be provided with professionalism, with effective cost controls and in a personal friendly manner. Past surveys have showed a high degree of regard for local services but new models for service delivery are possible as technology evolves and as there is greater citizen acceptance of non-traditional service delivery methods. MORC encourages the implementation of non-traditional methods for the effective delivery of municipal services while still maintaining personal friendly service and effective cost controls.

Specific Recommendations

Recommendations Related to All Departments

1. The MORC subcommittees and the full committee debated the advisability of an independent review of Cape Elizabeth municipal government by outside consultants. Some members felt that the investment would return quick dividends and others felt that the investment in consultants would not provide useful information and recommendations beyond those already being considered. MORC recommends that as non-traditional service delivery methods in specific areas are considered in the future, that the use of outside consultants or intra municipal working groups be considered. The argument for engaging consultants was principally that citizen committee members simply lack the expertise and available time to adequately perform in-depth reviews as originally charged. The committee also believes that the use of outside consultants could enable gathering of data in interviews that would not constitute public meetings.
2. MORC noted the preparation of the “FY 2011-2021 Municipal Infrastructure Stewardship Plan” which outlined capital needs over the next ten years. MORC recommends that this report be annually updated with similar scope and content as contained in the FY 2011-2021 plan.
3. MORC recommends that the Town better track the progress and status of capital projects. The Town Council should receive a quarterly update on the scheduling, progress and costs of current projects and projects planned for the following two years.
4. MORC recommends that the annual budget document include a review of capital projects being undertaken and the document also identify specific projects in the

- stewardship plan that are proposed to be deferred or abandoned due to insufficient funds or a change in direction.
5. MORC recommends that the annual budget document include a detailed accounting of the services provided by the Cape Elizabeth School Department to the municipal departments and vice versa.
 6. MORC reviewed the Town's policy related to undesignated surplus. MORC recommends that the Town Manager consult with an independent financial advisor and provide a report to the Town Council on any changes suggested in the current policy.
 7. The Town is not consistent in the timing of the posting of minutes and other material from boards and commissions. MORC recommends a policy be developed to have consistent practices.
 8. MORC believes that the Town should every three years - engage professional assistance in surveying citizens on the effectiveness of government services and on other key policy questions. This should be done cooperatively with the Cape Elizabeth School Department.
 9. MORC recommends the development of an ongoing public information program that encourages Cape Elizabeth residents and others who do business with the Town to use available online options for license and permit transactions. Now that Maine law permits municipalities to charge users for the costs associated with the use of credit and debit cards, MORC recommends an extensive expansion of online services and use of credit cards and debit cards within municipal offices. MORC does not recommend the recovery of such fees at our entrepreneurial operations such as within Fort Williams Park and Portland Head Light at least at this time

General Government Recommendations

10. MORC foresees a potential opportunity for savings if Cape Elizabeth and other largely residential communities in close proximity explore opportunities for regionalization¹ of assessing, planning and code enforcement services. MORC recommends the Town Council authorize the Town Manager to take a leadership role in meeting with other nearby towns to discuss new models for providing assessing services. A cost benefit study should immediately ensue if there is interest from other communities.
11. MORC has concluded that various functions of the tax office and the Town Clerk are done with outdated processes and equipment. Equipment and processes should be evaluated to determine if current practices could be modified to enhance productivity. In addition, some of the back office processes could also be accomplished as part of a regional tax collection system. MORC recommends that the Town Council authorize the Town Manager to take a lead role in determining if other municipalities have an interest in the potential benefits of a regional tax collection back office operation either provided through privatization or a regional Interlocal agreement.

Library Recommendations

¹ [Need to define regionalization.](#)

12. MORC has noted the popularity of the Interlibrary Loan Program and the availability of library collection information through the Minerva system. A recent study process recommended the construction of a new Thomas Memorial Library. Many citizens have questioned why we have three fully staffed and equipped school libraries and a proposed municipal library all on the same property lot. MORC recommends a dialogue among municipal and school leadership in South Portland and Cape Elizabeth to review partnering opportunities prior to funding being provided for a new Thomas Memorial Library.
13. New paragraph on role of libraries in the future...
14. MORC recommends that the hours of the Thomas Memorial Library be reviewed prior to the consideration of the FY 2012 budget.

Community Services

15. There is currently a significant amount of office space attached to the Community Services building that is empty and the rent goes directly to the Community Services Budget. MORC recommends a plan put in to place to rent this space.
16. Community Services currently uses an antiquated system to register citizens for classes. MORC recommends new software should be obtained so citizens need not appear in person to register. In addition this would allow for payment with credit cards.
17. MORC recommends a new plan for marketing be implemented. A printed brochure should no longer be the primary method of communicating with the population. Social media opportunities (a Facebook page and a Twitter account for example) need to be used. E-mails for all prior customers need to be kept in a data base and weekly updates of availability of classes should be issued. Regular articles should be in local papers that discuss availability of programs.
18. MORC recommends polling of Community Services customers be done to see what kind of classes the community at large would like to see and answer the question as to whether or not current programs are meeting the needs of our citizens.

Public Safety Recommendations

19. MORC believes that opportunities exist for looking further into leasing/hiring out, sharing or regionalizing services. In the police, rescue and fire departments, the opportunity to save on vehicle uses and services, purchasing, personnel and other synergistic areas exist and need further pursuit.
20. In the area of fire, we recognize that the magic that exists in this department is in our volunteers. We appear to be the envy of the state as a volunteer department. Our department's leadership team and our volunteers perform the duties and

training on an organized and professional basis. Care should be taken to protect at all costs the asset we have with our dedicated and professionally trained pool of volunteers.

21. In the area of fire and rescue, staffing calls seems to provide our department with a challenge from time to time and could benefit from regionalization, recruiting and further support from neighboring communities. It should be noted that the fire and rescue departments are already pursuing these goals.
22. Because the police station has extra space (due to the regionalization of services such as dispatch and the crime lab), the town should pursue opportunities to reprogram this space.

Public Works Recommendations

23. MORC endorses the Council's consideration of a pay per bag solid waste system. The fees to ecomaine are the biggest line item in the town budget after spending on education. While Cape's recycling rates have improved with the implementation of single stream recycling, residents (both individuals and businesses) can do more. An examination of recycling rates for towns that have pay per bag and/or curbside recycling show how much better residents can do. Since the Town Council is already exploring pay per bag, we did not see the need to duplicate the Town Council's efforts.
24. MORC believes that the schools need to have a financial incentive to do more recycling. We suggest that the Council, in its budget adopt a dollar amount for ecomaine and move that money directly to the school budget. If there were savings, which there could and should be if the schools increase their recycling rates, savings would accrue to the schools. If there are overages, then such expenses should also come out of the school budget.
25. The Department of Public Works provides mowing and landscaping for some developments in town, most notably, Cross Hill. Other developments, such as Stonegate, have homeowners associations that maintain the common areas. MORC recommends that as a *requirement* of future permitting the Town require that a homeowners' association be required to maintain such areas, rather than the town.
26. MORC believes there is insufficient knowledge by the public of the breadth of work performed by Public Works. MORC recommends that an activity report be published annually on the town web page.

Facilities Recommendations

27. The Town should decide whether to retain consultants to further evaluate areas for possible cost savings and income generation relating to facilities.
28. The Town should consider the installation of additional LED-based lighting.

29. 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 our understanding that these systems are expensive, so Town staff must continue to weigh the costs and benefits associated with outfitting additional buildings.
30. The Town must continue to evaluate heating and fueling sources and components. For example, the Facilities Manager relayed to the Subcommittee his belief that some components of the Town Hall Heating system are 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.
31. The Subcommittee reached the obvious conclusion that maintenance and upkeep of \$20.1 Million worth of buildings is an expensive proposition. Given the Town's current budget limitations, certain facilities 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.
32. 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.
33. 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. One such idea included allowing appropriately insured, experienced event planners to stage cruise-ship oriented lobster bakes in certain, restricted areas of the Fort and Park during specific,

restricted times and days. The Town should also adopt a fee schedule for commercial traffic, consisting of tour buses and trolleys. These businesses profit from the Fort, they should share in the Fort's commensurate costs.

34. The Town should also ensure that all rental rates for social events (such as weddings 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. Nevertheless, the Town should be cognizant of appropriate, equivalent market rates and should engage in annual benchmarking to ensure that facilities rentals are profiting the Town to the greatest extent possible. 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.

Revenues Recommendations

35. Fort Williams Park. Regardless of the outcome of the advisory vote on the proposed pay and display system, we urge the Council to continue to explore all sources of revenue at the Fort.
36. Grant Writing. MORC believes that grants should continue to be explored.
37. Tax Deductible Donations. Include a letter with the tax bill that identifies local non-profit groups.
38. Sponsorships. When a new facility is constructed (*e.g.*, the Turf Field), there may be an opportunity to sell naming rights to a local or even national business or in honor of a local citizen or patron. In addition, perhaps a group could be formed to identify other public assets that could be the subject of a naming opportunity.
39. Pool Fees. MORC favors efforts to increase pool revenues, and the Town Council has already taken steps in this direction.

Conclusion

[\[Glenn to draft this section.\]](#)

Thanks to all who participated, etc.
To be completed

APPENDIX

Management's Report attached to recent audit reports.

Summary of salient benchmarking data and graphs

Minority Reports and Comments as submitted by Committee Members