FM 101
Facility Management: The Basics

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Facility Management 101

Q. What do you think is involved in managing a facility?
   Cleaning, maintenance, scheduling, equipment, personnel, training, knowing your facility, electrical, plumbing, landscape, etc.

THEORY

The Congregational System
Understanding the system and how all the parts are related and work together is the key here. The same is true in facility management. Many times when you go to repair something in your church it affects many systems not just one.

Our church facility is comprised of dozens of systems that all work together. The sprinkler system requires water, electricity, timers, plumbing, and staff. When a problem occurs you have many systems to check!

Inputs and Outputs
In John Wimberly’s book, The Business of the Church, he gives us a great system of thought. Every church has a congregation to manage. John breaks it down into a system of inputs and outputs that are directly related to one another. There are three inputs that need to be considered and managed that give you the output of the church and it’s mission.

<table>
<thead>
<tr>
<th>Inputs</th>
<th>Outputs</th>
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<tbody>
<tr>
<td>People</td>
<td>Proclamation</td>
</tr>
<tr>
<td>Facilities</td>
<td>Pastoral care</td>
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<tr>
<td>Finances</td>
<td>Programs</td>
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<td></td>
<td>Mission</td>
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If there are no people then the output is affected. If there was no electricity one day then the output is affected, if some of the bills can’t be paid then the outputs are affected. Understanding the theory of the congregational system helps us manage. When the mission of the church is not being met we try and figure out why. With this system we can go back to the input. Maybe the mission of the church is hindered because our facility is lacking. Maybe our programs aren’t working because funding was not there or was reduced. The congregational system helps us realize the importance of all three inputs and how they relate to one another.

ILL. A church is started when you have people that start meeting together for prayer and worship and Bible study. Many times they meet in a home or whatever space is available. They begin to give to the church and eventually begin looking for a more permanent place to meet. It started with people, then finances, and then facilities. Not always in that order! Now you must manage what you started. You have to manage the people, the facilities, and your finances to keep the church going.
So, we see that in a congregational system you have inputs and outputs. The same is true with managing a facility or campus. Our starting point is going to be those two things, but before we begin let’s first look at a set of priorities that we can use all through each step of the way.

**Priorities in Facility Management**

**HOT TIP:**
Keep this in mind as you do facility management! It will allow you a clear picture of what you are trying to accomplish and gives you a balanced direction.

#1 **Safety** – try to keep your church campus free of hazards that would affect the safety of anyone coming to your church.

#2 **Operational** – try to keep your church from major malfunctions that would hinder the church from being operational.

#3 **Cosmetic** – try to keep your facility up to date with regards to the look and feel.

Try and balance your time and energy within these three areas and yet work with the priority listed. Knowing and using this philosophy it will help you know where to begin in managing your facility.
GETTING STARTED

Church Facility Management

Church Facility Management encompasses a lot of diverse areas that need to be managed on a regular basis. These are the INPUTS to Facility Management!

Before you begin to learn the “how to” portion of facility management, take some time to discover what you have to manage and what resources you have to manage with. There are four major areas that must be addressed before you start managing. These areas will vary according to the size of the church, the facility, and the campus you have.

- Assembling
- Mapping
- Assessing
- Training

Assembling Your Team- this may be an ongoing process in finding the right people for the job. Here are some things to work through:

- Volunteers- can I get by with just volunteers?
  Q. What are some pros and cons of using all volunteers?
    Pros: saves money
    Cons: hard to direct, not consistent

- Building and Grounds Committee – what is their role in my job?
  Q. Are they making all the rules? Do they direct what you do? Are they just a sounding board, over seers?

- Paid Staff – do I just hire everyone or can I still use some volunteers?
- Outsourcing Company – should I use this method?
  Q. What are some good reasons to outsource cleaning or maintenance?
    The facility is complicated to clean
    The facility is used all day and needs cleaning at night
    It’s hard to supervise at night
    Difficulty in finding good employees

- Maintenance Vendors – how do I find good vendors?
  Q. What do you look for in a good vendor?
    Good reputation
    Good customer service
    Fair and competitive pricing
• Facility Manager – at what point do I hire this person and what are their responsibilities?

Mapping Your Facility – it is hard to manage what you don’t know you have.
Q. How does mapping save you time and money?

ILL. Glenview’s 52 roof top units...

Type of:
- Flooring
- Roofing
- Floor plans
- Square footage
- Usage
- HVAC
- Electric or gas

Location of:
- Breaker panels
- Shut off valves
- Extinguishers
- Fire Panels
- Cameras
- Thermostats
- Mop sinks

How many:
- Sinks
- Urinals
- Toilets
- Dispensers
- Parking spaces
- Acres
- Vehicles

Mapping also helps you to determine how many people you need for each task by knowing your facility size and what has to be cleaned and how often and what materials if has.

Assessing and Inventorying your Equipment
Take inventory of what you have and the condition it is in. Keep a log book on each piece taking note of when it was purchased, the cost, the age of the unit, and any repairs made to the equipment.
Vacuums
Buffers
Hot water extraction
Tile cleaners
Mop buckets
Carts

*Training and Skill Levels*

Q. Why do you think training is so important?

Know and understand the level of skills your staff have
Assess the training needed
Where to get training
Ongoing Training

Once you have become familiar with each of these steps, you are ready to look at all the tasks you have before you. Knowing about those four areas beforehand will greatly assist you in managing whatever you have before you at your church.

These are your inputs. Just like your congregation system, if one of these is missing or lacking, then your outputs are affected. In facility management your outputs are your how to’s. The rest of this training we will direct our attention on how to manage your facility.
THE “HOW TO”
This is not a comprehensive coverage of facility management! However, these are the
most prominent areas you will most likely be involved with. These are the outputs
directly related to the INPUTS.

Facility Use
  Policies
  Procedures
Hiring Staff
Preferred Vendors List
Housekeeping Options
  Small Church Scenario
  Medium Church Scenario
  Large Church Scenario
  Paid Staff vs Outsource Cleaning
Maintenance
  Log Books
  Work Order Systems
Event Management
  Room Reservation Procedure
  Virtual Event Manager
Purchasing Supplies
Cost Management
Team Building
Grounds and Parking
  Landscaping
  Irrigation systems
  Trash Receptacles
  Signage
Buying Energy
  Computerized Energy Management
Funding Capital Improvements
Insuring your Facility
Communication
Upcoming Changes
Facility Use Policies and Procedures

Q. What are some common policies a church should have written?

Q. What are some common procedures a church should write?

ILL. Policies and Procedures software by Rex Frieze
Sample and CD reference

Every church needs to have written policies for operating and managing your facility. Common polices are wedding policies, rental polices, transportation policies, and others, Common procedures written down are room reservations, work orders, funeral polices, building use, housekeeping procedures, and more.

Q. Who should determine and write these policies and procedures?

This will vary from church to church depending on the size of the church and its staff. They may be determined by the congregation, the church staff, a Building and Grounds Committee, or a small task force created just for this purpose. Here are some tips for creating policies and procedures.

- They should be **positive** in nature. Try stating what can be done instead of what can’t be done
- They should be **simple** to understand and **easy** to read
- They should be **broad** with **flexibility**. Too many details can be restrictive and become a hindrance
- They should be kept **up to date** and reviewed annually

Many times there are policies already in place that have been used in the past that you will have to review and update. When reviewing old policies and procedures, take into account current situations and how you operate today. Typically old polices were written for how things were done back then. Your task would be to update them to current operations. If nothing is written and in place, then you are starting fresh and should look at how things are run today with current operations and decide if that is how you want to continue.

Once policies are created or updated you will want to have them available for all staff and employees to read and follow. Several options are available today with technology so advanced. One option is to save all the written policies and procedures on a disc and distribute those to all staff and employees. They would simply play them wherever they are on a computer or laptop. These discs could also be included in New Hire Packets. Another option would be to upload them to a network drive in a separate folder. Make sure all staff and employees have access to that network drive and folder.
Hiring Staff

Having the **right people** in the **right place** is critical!

**ILL.** At my current church I re-wrote the plan for Building Service Staff several times before I had one that worked for us. Sample brochure

Things you should have in place when hiring staff:

- Written **job description** with primary and secondary duties
- **Organizational chart** for Facility Management
- **Goals** and **expectations**
- Have a 90 day **evaluation** period

Since Facility Management encompasses so many areas of training and experience, you should be ready to offer training for all new hires. Some vendors offer free training for the products and equipment they sell. Before you start interviews write down for you own use what type of person you are looking for. Secure a set of questions for you to ask during the interview that will lead you to the type of person you want.

Hire with a 90 day evaluation period! This means that the new employee will not receive any benefits or time off for the first 90 days. Use this time to watch and evaluate their work and performance. At the end of the 90 days, meet with the employee and discuss with them how they like their job and how you liked them. I have had times when the employee says they really don’t like the job for various reasons and times when I felt they were not the right person. This gives each party a mutual way out! Make sure you talk to other employees and your Facility Manager before this meeting.

**Appendix:** Sample job descriptions for Facility Manager
Preferred Vendors List

You will always have to use outside vendors for maintaining and repairing your facilities at some point in time. Depending on if you have a Facility Manager and the experience of your staff will determine how often you use outside vendors. I have found that choosing vendors carefully will save you time and money. There are multiple vendors out there for every need you have.

When choosing a vendor:

- Meet with the vendor initially to discuss your needs with them
- Share your overall vision for building maintenance
- Choose a vendor that will partner with you in your mission
- Price is not the only deciding factor. Quality, service, and then price

Many vendors that are really low in price don’t offer the other two! The best way to create a Preferred Vendor List is from experience and that takes time. Once you have your list created, share that will all your building staff. The purpose of a preferred vendor list is two fold. First, having a list of vendors you trust and have a good report with for all your staff to use. Second, they get to know your facility and can better service you. The list can be updated at any time. Let the vendors know they are your preferred vendor and that as long as they service you to your expectation, they can remain on the list.
Housekeeping Options

Cleaning the church and setting the rooms is by far one of the most time consuming tasks. Many questions will arise as you begin to look at this.

Small church scenarios: Small churches 200 or less
- **Volunteers** may be recruited to clean and set the church. This works well in small church settings but seems to not work in larger churches.
- **Church members** may be compensated to clean the church in the evenings and weekends on a part time basis.
- The pastor and a staff member may handle the cleaning and setting. This is only common is very small facilities that are easily cleaned and set.

Using Volunteers
Pro’s
- Volunteers can save the church the expense of housekeeping pay
- It offers members a way to serve and become active in the church

Con’s
- Controlling the output of volunteers is not very effective
- The level of cleaning may be hard to maintain
- Accountability is also hindered if they are not compensated

If you are going to use non-paid volunteers then make sure you reward them often either with a small token of appreciation or verbal recognition. Everyone wants to be valued!

Cleaning in a small church setting is more of a team effort allowing church members and church staff to work together as a team.

Medium Church scenarios: 200- 600
- Volunteers can still be used but it becomes a bigger challenge since this size church will usually have a bigger facility that requires more cleaning and more maintenance
- If you have a high rate of volunteerism you could handle this size church but usually paid staff becomes a reality
- A combination of volunteers and paid staff can be an viable option here
- Maintenance is a bigger issue here and may need to be incorporated with housekeeping
- The small church setting church is used more often and has more events which requires more cleaning

Large Church scenarios: 600 +
- Volunteers are not used as much in large churches. Large churches typically have large budgets and church members don’t volunteer as much because they think the church will just hire it out.
• **Paid staff** are hired or an outside cleaning service is utilized
• Facilities may be very large and complex and the church is not just used on Sunday and Wednesday, but during the week and evenings
• More people are using the facility and inspecting it for you

Paid staff versus Outsource cleaning

This is a decision that needs to be made that may have positive or negative results in your church. Here are some pros and cons.

In House staff Pros
• Better **accountability** and **control** over the employee
• **Team** effort can be stronger
• Employees are compensated more with benefits and want to **stay longer**
• Employees are **interactive** with the church more and feel ownership in what they do

In House staff Cons
• Scheduling becomes a challenge if the church is used every day
• Training can be a big issue
• Equipment will be needed and maintained
• Covering when employees are absent is harder
• The expense of benefits is costly

Outsource Cleaning Pros
• You are never short staffed
• They provide the equipment
• They provide the training
• Can be a savings overall on the budget

Outsource Cons
• High rate of turnover can be an issue
• Lower accountability and control from in house staff
• Low or no ownership by workers

Hiring an outside cleaning company can be a daunting task. There are many factors to consider and questions to ask before you decide. Negotiating the terms of the agreement can be challenging and there needs to be an open line of communication so you know what services you will receive.

**Questions to ask an outsource cleaning company**
• ✓ Who supplies the paper goods?
• ✓ What happens when someone is out?
• ✓ Who opens and who locks up?
✓ Are your workers bonded?
✓ Are your workers screened and if so to what extent?
✓ How long have you been in business?
✓ Do you have references I can call?
✓ How are your workers trained?
✓ What level of control do I have over your workers?
✓ Will there be a supervisor to monitor their work?
✓ How do I get out of the contract?
✓ Will they set the rooms?

Do some cost comparisons on what you would pay for in-house staff with compensation and benefits to what you would pay as a flat fee for outsourced cleaning. Do what best works for you and your facility. Sometimes a hybrid system can work. Using both in-house staff and outsourced cleaning can work well for you. That would give you the pros of both options.

Appendix: See Levels of Cleaning
Maintenance

In smaller churches maintenance and housekeeping needs may be combined and performed by the same people. It is when you get into large facilities that maintenance tends to be separated out and handled independently from housekeeping. You have the same issues as with housekeeping!

Do I maintain the church with volunteers or paid staff?
Do I maintain the church with paid staff or outsource it?

No matter what size facility you have, you are at some point going to use outside vendors for maintenance and repair. That is an ideal method and can be a huge cost savings to the church. Finding these people and compensating them enough is a challenge for churches.

Churches that employee a person that is certified and or licensed in HVAC, plumbing, and electrical will benefit from a big cost savings having them to handle maintenance versus calling an outside vendor. The challenge is finding this person and being able to compensate them enough in a church setting.

Routine Maintenance Log Books
There is nothing more efficient than keeping track of what you have done in facility management. Keeping log books is quick and easy and tells the story of your facility. I use log books for everything. Transportation, HVAC, facility maps, inspections, and more!

Here is how it works! Create a binder with tabs for each vehicle you own. The first page behind the tab is a summary page showing each time that particular vehicle was repaired or maintained. After the summary page add a copy of the invoice of repair or maintenance.

ILL. When you have the oil changed write the date and mileage and the task performed and then place a copy of the invoice behind the summary page.

What you end up with is a complete guide to what has been done to that vehicle. It also serves as your maintenance schedule showing you when it is time for the next task. It also comes in very handy when you have a warranty issue with a part and you can easily find when you first replaced that part. The same goes for HVAC units. You can identify and mark every HVAC unit you have with a code and description and make a binder and tabs for each unit. Every time you call for repair to that unit, record it in your log book.

Humor: Maintenance Repair Flow Chart
**Work Order Systems**

Using a work order system greatly enhances your **productivity** and increases your **communication** to your building staff.

Setting up a work order system will greatly enhance your efficiency. You must have a tracking mechanism in place that allows you to readily see what is getting completed and when. One of the best systems is using forms either printed or on-line.

- Work order form that outlines the work needed
- Route that to whoever is in charge of getting the repairs done
- Keep a record of all work orders submitted
- Once the job is completed the work order is returned for filing

Use a written work order form for repair needs and maintenance needs. Have the form on a network that anyone can fill out on-line and then email the form to the Facility Manager or whoever you set up for that. Encourage each staff member to save what they filled out to their computer for follow up later if need be. Once the Facility Manager receives the work order, he prints the request and then determines who is best suited to handle the request. Once the request is completed, whoever handled the order initials the form and returns it for filing. This system works well since all staff has access to the work order form at any time and can send it directly to who is going to process it.

The form can be created in house and make sure it asks for all the right questions that is needed to fill the order the best. Discourage all staff to verbally tell their needs since that many times will be forgotten. Emailing without the proper form is also discouraged because usually not enough detail is given to handle the job correctly.

The work orders need to be routed to whoever is going to directly process the requests. Not all churches have full time Facility Managers and so it falls of other staff or in some cases the pastor. This system works well for whoever handles facility needs.

Using work order forms is a great management tool! Make your forms easily accessible to all employees and staff of the church.

**Appendix:** Sample work order form
Event Management

Every church has events, programs, and ministries that all require space at one time or another. The larger the church the greater the need! I have seen several systems that churches use to allocate space to each ministry. Needless to say, there are many factors involved when a ministry wants to use a room.

- Who is going to open the room, clean it, set the temperature, set the room up, add components like audio visual, tear it down, turn the lights off, and lock up?
- How do you keep track of all those tasks?
- Who keeps track of what needs to be done before and after the room is used?
- What system is in place to handle all the room requests?

There needs to be some type of event management system in place either by hand or electronically. Allow me to address the electronic methods as that’s where most churches are at or headed to.

A good event management system will reserve the room, add components, state how many people are expected, set use time, add set up time and tear down time, and tell who is using it and what the event is. As you can see there is more to reserving space that most realize. Once all the information is gathered and entered there needs to be some reporting abilities.

Typical Room Reservation Procedure
- A form submitted requesting the space with all the pertinent details for that event
- The request is approved and then entered into the system
- A confirmation is sent to the person that made the request
- A copy of the request goes to whoever is in charge of facilities
- Copies should be sent to others that are involved in the make ready of that room such as sound, food service, and childcare
- Reports are given each week to Housekeeping and all others that are directly related to the request

Event management software packages are great for reserving multiple spaces. They resemble hotel software where all the spaces available in the church are given a room code and listed in order. Room descriptions can be added for special spaces like conference rooms and Fellowship Hall. Once a space is booked no one else can book it at the same time! Thus, double booking is not possible.

Networked Event Management Systems
If your church incorporates a computer network then the event management software can be installed on each computer giving staff members and other church employees access to the program in remote locations. Each person can log in and see what is available and what is already reserved. This can be a huge resource to other staff members if it is
utilized. When a staff member is planning an event they can easily see if the room they are wanting is available then. If not, then they can then choose another space that is open.

**Virtual Event Management Software**
Some event management software packages can be on line live through an internet connection. This simple makes the information visible anywhere there is an internet connection. The staff member can be offsite and connect to the internet and see the information. Church members can also connect to the software via the internet and request a room for their ministry.

With this type of system when an event is entered and approved it can automatically be listed on the church on line calendar. The bottom line is that there needs to be a system where events can be managed and communicated to the proper employees that a space needs to be ready and waiting for the user.

**Appendix:** Sample Event Reservation Form
Purchasing Supplies

This may not sound like a very big deal but it can be a huge cost savings if handled correctly.

If your church has no system in place for securing supplies, you will most likely leave a lot of money on the table. Here are a few tips on how to purchase and get the best deal. You may have many areas of purchasing supplies like paper goods, trash liners, office supplies, cleaning products, lighting, and more.

- Make a list of the top 10 products you buy the most in each area
- Keep a running list of those products and how much you last paid
- Take the last paid amount from invoices as you pay them

This allows you to track your spending and to see increases in costs immediately. The next time a new salesperson comes to solicit your business, hand him your top ten list in any given area, without your costs, and ask him to quote you on those items. I am going to say it again; cost is not the only deciding factor in purchasing or which company to buy from. I always look at three things to evaluate where to buy. Quality, service, then price!

Criteria for Purchasing Products and Services

Q. What are three things to consider when making any purchase at home or at work?

Quality – you should strive to use only quality products. Using inferior products usually ends up wasting your time and money.

Service – does the vendor deliver or do you pick it up. Do you the manpower and time to always be leaving the facility and picking up products?
Are the sales people friendly and knowledgeable about what they sell?

Price – always comparison shop and do your homework. The cheapest product is not always the best choice.

Example: I was in the market for new mats to place all around our church at every entrance. In the past we bought the cheapest mat available thinking we were saving the church money. They wore quickly and after a short period of time looked ratty and worn. I decided on the sizes I needed, how many, and the color I wanted. In other words I was an informed buyer. Then I requested quotes from several vendors and asked for price, shipping costs and the time for delivery. The ball was in my court! I ended up with very nice looking quality mats that would withstand the constant wear for a long time with a guarantee.
Cost Management through Tracking

Track everything you do and it will save you money in the long haul! Knowing what you spend on a given product or service is invaluable to you. This allows you to be an informed, knowledgeable and wise buying. Track anything that is a variable and not a fixed cost.

Q. What are some things you would track in your church?

- Utilities – water, gas, electric
- Cleaning Supplies
- Paper goods
- Office Supplies
- Kitchen supplies
- Lighting
- Auto Maintenance

Always know what your costs are so you know when something goes up or goes down and can make a wise decision on future purchases knowing this information.

ILL. Churches uses a lot of trash bags changing them nightly in every room. I was not tracking my costs and soon one of the custodians brought it to my attention our cost had gone way up recently. I went back and started tracking my costs for the past year and found where almost every month the cost went up. I met with the sale rep and showed him the amount of bags we purchase each month was huge. I asked for a better price due to the high volume we used. He came back with a better price knowing I was now watching my costs.
Team Building

You may be wondering, how team building fits into facility management! Well it just does! Two or more people formulate a team.

Teams work **harder** and are more **productive** than one person working alone!

Team building in the secular world has been around for ages with major corporations utilizing team building methods. I personally love and use the word team wherever I can for a group of people in any given area. I prefer Finance Team instead of committee; Office Team over office staff; etc.

When I first arrived at one church it became obvious that the office staff was divided and no team work was happening very often. Let’s just say it was the old verses the young. I rarely saw team work in the office and everyone was simply doing their own thing.

**Samples of Team Building**
Minute to Win In
Customer Service
Fun Friday Lunch

Team building allows employees to let their hair down and have fun and learn to work together with others. Team building adds value to people! Team building builds a team.
Grounds and Parking Upkeep

The outside of the church is often overlooked but is one of the first impression guest uses in deciding whether to attend your church. George Barna, did a survey many years ago which stated that most visitors to the church will grade you on if they can find a place to park and once inside the building can find their way around. If those two don’t work out, visitors may decide to leave even before ever hearing the preacher or meeting the people.

Grounds include all property surrounding each building and any property connected to the main church site whether vacant or for parking. The most common areas to manage are:

**Landscaping**
- Utilize plants native to your area.
- Mulch beds annually.
- Trim trees every other year.
- Plant a combination of annuals and perennials in flowers giving you color year round

**Irrigation**
If this is not maintained you can waste a lot of time and money in wasted watering times. If you have an irrigation system at your church it will be on a timer. Most timers allow you set multiple scheduled water cycles. Your system should be separated with zones. First you have to know where your zones are outside and which schedule runs which zone. Understanding your timer is the key to success in irrigation management. On the timer you can set what days it waters and how long the watering cycle is. So you have: zones and cycles.

- Make your cycle match the type of plants or grass you have in each zone
- Adjust your cycles for summer, winter, spring, and fall.
- Check your heads in each zone at least monthly for direction and brokenness

**Trash receptacles** – have large decorative trash receptacles around the outside of your church to help eliminate unsightly trash on the ground.

**Benches** – have decorative bench seating outside to give a park like feel and during good weather days can be a focal point for gathering outside the church.

**Signage** – keep signage to a minimum and keep it positive. Maintain signage so that is does not become faded and hard to read. Too many signs can confuse people and too many negative signs can be distracting.

**Parking Check List**
- Nice appearance without pot holes
- Clearly marked
- No visible weeds giving the look of abandonment
- Plenty of open spaces
- Check the flow and direction

**HOT TIP:** To calculate parking needs for a commercial building you must first find out how many parking spaces per thousand square feet of building is required per code. Let's say the code states that you will need 5 spaces for every 1,000 square feet of building. If your church parking area is 125,000 square feet you simply divide 125,000 by 1,000 and multiply by 5 to arrive at your parking needs. Example 125,000/1,000 \times 5 = 625 \text{ spaces}
Buying Energy

Electricity deregulation in Texas was the result of the coming into force of Texas Senate Bill 7 on January 1, 2002. According to the law, deregulation is to be phased in over several years.

With deregulation in Texas, residential and commercial consumers have a choice in where to buy their energy. Residential consumers can go to www.powertochoose.com and select a REP. Commercial consumers have to buy through a supplier, broker, or aggregator.

Q. WHAT ARE ENERGY SUPPLIERS, BROKERS, and AGGREGATORS?

There can be some confusion when it comes to talking about ENERGY SUPPLIERS. Retail competition laws use the term SUPPLIERS to refer to SUPPLIERS, BROKERS and AGGREGATORS. Yet there are important differences for consumers between these categories of energy companies. You should understand these differences before you sign a paper contract or sign a contract throughout a Company website (yes, an Internet “sign-up” is a contract.

ALL SUPPLIERS – SUPPLIERS, BROKERS AND AGGREGATORS – MUST OBTAIN A LICENSE FROM THE PSC IN ORDER TO ADVERTISE SERVICES, SOLICIT CUSTOMERS OR ENTER INTO CONTRACTS. A company must have separate licenses for gas and electricity. Any company that engages in these activities BEFORE it obtains a license is violating the law.

WHAT IS A NATURAL GAS or ELECTRICITY SUPPLIER?

In its most specific meaning, the word “supplier” refers to a company that:

- Meets the PSC requirements for a supplier license.
- Has an agreement with PJM and meets the PJM credit requirements ($2 million bond), which allows the supplier to buy and sell electricity.
- Has an agreement with the local gas or electricity company, and meets its credit requirements, which allows the supplier to transport electricity on the utility “wires” gas within the pipes to a customer.
- Undergoes a higher level of financial integrity review, which may result in the PSC requiring a bond or other financial guaranty
- Has title to electricity or gas supply (this means the company gets supply from its own generating facilities or has contracts to purchase electricity or gas)
- Must enter into a contract with a customer for the sale of electricity or gas
- Must handle disputes and inquiries about advertising, solicitations and contract terms directly with consumers and relevant state agencies, such as the PSC and Office of Attorney General
WHAT IS A GAS or ELECTRICITY BROKER?

There is no specific definition of a gas or electricity broker. In general, a broker is an individual or company acting on someone’s behalf, like a middleman or negotiator, to obtain the best “deal” or contract terms. In general, a “broker” refers to a company that:

- Meets the PSC requirements for a broker license, which include a lesser financial integrity review and payment of a $10,000 bond to the PSC
- Does not have title to gas or electricity supply
- Does not have agreements with PJM or the local utility
- Cannot offer to sell you gas or electricity supply directly
- Acts as a middleman between the customer and the supplier (with title to gas or electricity)
- Must have an agreement with the customer that is separate and apart from the customer contract with the supplier
- Brokers also may focus on certain customer interests, such as renewable energy.

WHAT IS AN AGGREGATOR?

An “aggregator” is a broker that acts on behalf of a group or groups of customers. Typically, a broker/aggregator will set up arrangements with members of groups such as homeowners associations, affinity groups (religious, cultural, regional, fraternal, etc.) and seek rate offers from suppliers for these “bundled” groups of customers. The individual customers typically do not pay for the aggregator’s services, and are not contractually required to accept the supplier offers that the aggregator finds. The possible advantage is that the aggregator can offer a larger customer pool to the supplier, and may be able to get different offers as a result.

This topic is very important to understand because wherever you serve you will need electricity and that is normally one of your biggest fixed expenses. Getting the best rate is critical and so you need to know where to look and what type company to look for on behalf of the church.
Computerized Energy Management

A system whereby the user can control the temperature settings in the facility from a computer.

This type of system has large up front costs from getting the system installed and the equipment it takes. For the most part, large churches are the ones that are able to utilize it. However, it is good to know that there are systems like that and how they work. Some are integrated with your event management software whereby when you schedule a room for an event it will let you schedule the temperature settings at the same time. With today’s technology there are now systems that can be operated remotely from a laptop through the internet and now from a cell phone with an app.

The efficiency comes from the fact that you can set an HVAC unit to only come on for a specified period of time and not run excessively. A downfall can be that someone has to man the system and make the settings before the event so you are looking at man hours.

Make your focus on saving energy and don’t sacrifice comfort for staff and church members
Funding Capital Improvements

Most churches fund their operations and maintenance costs through the annual church budget, establishing line items for utilities, equipment repair, general maintenance, supplies, and so forth. A few congregations also establish capital reserve funds for major repairs and ongoing maintenance and upgrades. I highly recommend a church use this strategy! Examples of items funded by a capital reserve fund are boilers and chillers, air handlers, roofs, and large electrical panels. A capital reserve fund can be funded in several ways. A set amount can be budgeted each year in the operations budget and then transferred monthly to a designated account. That method accumulates each year and can grow to a significant amount for use later. Another method is to establish a designated fund for capital reserve and ask the congregation to give to it during the year. Still another method can be the combination of both funds from the budget and the congregation.

Q. How much reserve do you need?
That question is asked all the time! One of the best methods is to do an inventory of the major components of your facility. Some churches hire professionals for this and some do it in house. Once you have an inventory you will need to establish the age of the unit, the life expectancy, and the cost of the unit to replace. Example: you have an HVAC unit that costs $25,000 and the life expectancy is 15 years then you need to set aside $1700 annually just for that one item. Continue that process for all major components. Another method especially in an older and large facility is to do that process every time you replace something of significant cost. Eventually, you will have the amount you need to set aside annually.

One of the biggest challenges with capital reserve funds is convincing the church that you need one. Usually personnel, education, music, missions, operations, and administration costs constitute most the budget and adding in maintenance costs inflates the budget to a number may be unachievable. Understanding the theory as discussed at the beginning is crucial to helping the church work toward being proactive and not just reactive in facility management.

Four types of funding for facilities

Capital Improvements – large projects like new buildings, additions, and large scale remodels.

Equipment Repair – repairs that pop up on you unexpected

Facility Upgrades – addressing cosmetic needs like carpet, paint, and flooring

Deferred Maintenance – replacing things before they fail. This is scheduled maintenance
Insuring your Facility

Let me touch briefly on keeping your facility properly insured and what to look for.

- **Know** what you have and what needs to be insured
- **Shop** around for the best coverage and the best price
- **Review** your policy annually with an insurance professional
- **Manage** your deductible
- **Minimize** claims through safety programs and training
- **Understand** your coverage

Managing your **deductible** can save you big money.

The smaller the deductible the less out of pocket you are in a claim, but the premium will be higher. The larger the deductible the more out of pocket you are, but the premium is lower. Obviously you want the best of both worlds; low premiums and low deductibles!

The only way I would recommend taking a higher deductible is if you have a low claim rate and have the deductible amount set aside in a holding fund. If you change from a low deductible to a high deductible, continue to budget the same amount for premiums and take the savings each month and set it aside in a designated fund. That way you are building up your deductible reserve. Once the target amount is in the fund, start taking the savings by reducing your budget for the line item expense. Now you are saving both from lower premiums and lower budgeted amount.
Communication

Last but not least, communicate, communicate, and communicate! This will be your most valuable tool in any area of management. You can never over communicate, but you can under communicate. You can have all the inputs and outputs you want, but if you fail to communicate, then you constantly struggle in managing. This is directly related to building a team and being a functional team.

In building a successful Facility Management team you have to all be on the same page at all times. The larger the church the greater the need for excellent communication!

Business Administrator

Facility Manager — Food Service Director — IT / Media Director

Maintenance Director — Kitchen Volunteers — Comm. Coordinator

Housekeeping Director

— Building Service Staff

Depending on the size of your staff you may need to divide your communication in divisions. In the scenario above, the Business Administrator should meet with the Facility Manager, the Food Service Director, and the IT / Media Director on a regular basis looking at schedules and work orders. The Facility Manager would then meet with the two Directors and the Building Service Staff on a regular basis. The Food Service Director meets with the Kitchen Volunteers, and the IT / Media Director meets with the Communications Coordinator. Sounds like a lot of meetings? Most of your communication should happen as you go along the way staying on top of operations. However, I always encourage my directors to find a time each week to meet with their subordinates briefly to stay up to speed. I would also recommend that you, as the leader at the top; make time for an all-staff time to meet on a regular basis. Use this time to communicate but also to train, lead, encourage, and build the whole team.
Resources for Facility Management

The Business of the Church
John W. Wimberly Jr
The Alban Institute

Church Administration Handbook
Bruce Powers
Broadman and Holman Publishers
Revised Edition

The Right People, The Right Team, The Right Equipment
Rick Cadden

National Association of Church Facility Managers (NACFM)
www.nacfm.org

National Association of Church Business Administration
www.nacba.net

IFMA
International Facility Management Association
www.ifma.org