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Committee Report No. 1

Amherst Budget Committee Identifies Numerous Possible Cuts

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Approximately one year ago our committee began a review of the Town of Amherst budget for 2006. After its adoption, we continued the review to the 2007 budget. Our goal was to isolate budget items where it appeared costs might be cut or revenues generated in order to reduce the burden on taxpayers in the town. We then questioned these item(s) in the report.

It is our hope that what appears below will enlighten the public as to the nature of expenditures present in the budget. Also, we hope the employees and elected officials will, if they have not already done so, consider the questions we have raised.

The following explains, in general, the scope and depth of the review:

- 1) The main focus of the review was the 2006/2007 budgets that were available to the public. These documents are each over 200 pages in length. Unfortunately,

they contain very little information with respect to exactly what the money is spent on. Rather, they list expenditures into generic categories such as “Contractual Services.” As a result, our findings and suggestions will be more general in nature.

- 2) In addition looking at the budgets, we spoke to the supervisor, one member of the council, and some employees. These people were able to give us some insight beyond the figures in the budget. However, we did not secure a lot of detail with respect to specific expenditures.
- 3) We reviewed the nine separate funds that compose the budget, the largest being the General Fund. Many of the issues we found in the General Fund appeared in the other funds (e.g. Salaries, Clothing Allowances, etc.). In these cases we did not repeat the same issue.

The Amherst Budget is divided into nine segments:

- 1) General Fund - principal operating fund; provides for police protection, parks, playgrounds, tax assessments and collections, engineering, general supervision and other town-wide costs
- 2) Highway Fund - road maintenance and construction
- 3) Sewer Fund - collection, transmission and treatment of sewage
- 4) Town Outside Village - services not charged to village residents
- 5) Community Environment - garbage pickup and disposal services
- 6) Lighting Fund - repair and maintenance of street lighting systems
- 7) Fire Protection - fire protection services
- 8) Storm Drainage - maintenance and construction of drainage systems
- 9) Water District - maintenance and construction of water systems

GENERAL FUND

- 1) Over three quarters of this fund is allocated to personal services and employee benefits. Because these items compose such a large portion of both the General Fund and other funds, savings might be realized within these budget items.
 - a) *Health, Dental and Vision* - Are these benefits in line with those provided to private sector employees? Should town employees pay a higher percentage of their health care premiums?
 - b) *Overtime* - The 2007 budget narrative cites the fact that overtime was eliminated in most departments. It does not say how. Can part-time or seasonal employees be used in certain cases rather than using full-time employees and paying them overtime? Is there a process in place where overtime is authorized outside the

- employee's department? Should there be?
- c) *Longevity Pay* - Can the town afford to provide this benefit? Is this benefit in line with private sector practices?
 - d) *Sick Leave Incentive* - Does this incentive benefit the town or should a "use or lose" policy be adopted? Has a cost benefit analysis been conducted to determine the best method for dealing with unused Sick Leave?
 - e) *Vacation Buy Back/ Lump Sum* - Same questions as with Sick Leave. Are these practices affordable?
 - f) *Clothing Allowance* - This allowance is rarely available to employees in the private sector and in other public sector jobs. In 2006, it cost the town approximately \$300,000. Can this be eliminated or reduced to cases where special clothing is required to do the job?
- 2) "*Contractual Services*" are listed as a budget item throughout the General Fund and the other funds. The problem is that there is virtually no specificity as to what services have been contracted. We learned that these "services" were varied in nature, encompassing a large variety of expenses. Does this type of budget reporting hinder optimal oversight of spending? Should the departments be more specific when requesting and expending funds?
- 3) *Office Supplies and Furniture* - Each department has expenditures for these items. Should a separate purchasing department handle these purchases? Should a system be put in place to have purchases in excess of a certain amount approved at a higher level?
- 4) *Passenger Vehicles and Mileage* - Throughout the General Fund and the other funds there are budget items for passenger vehicles. In 2007, passenger vehicle expense accounted for approximately \$560,000 in 15 different departments. Has a review of the necessity for all passenger vehicles been conducted? Are steps taken to ensure that these vehicles are used for business only? Are these vehicles marked clearly as town vehicles? Would it be more cost efficient to pay mileage to employees instead of providing them with vehicles?
- 5) With respect to mileage, we learned that at least some employees were being paid \$.65 per mile for use of their privately owned vehicles. The Federal rate at this time is \$.485 per mile. Should not the town mileage rate conform to Federal standards?
- 6) *Golf Courses* - In both 2006 and 2007 costs associated with operating and maintaining the golf courses exceeded the green fees and other income. In view of the fact that these courses are used by a small percentage of the total population, does it make sense to fund them with money from the general population? Should operation of the courses be privatized? Should they be sold? Should the fees be raised to ensure that the courses reach the "break even" level?
- 7) *Williamsville Library* - The 2007 budget allocated \$65,000 to the Williamsville

Library. There are three other libraries in the town and Internet use has decreased library use in general. Should the town continue to fund this library?

- 8) *Museum* - There was an increase of over \$112,000 requested to fund the museum in 2007. Most of this consisted of "Personal Services." There were increases in other areas, as well. Was the museum budget being cut to "bare bones?" Have volunteers been used to their fullest extent to help operate the museum? Does privatizing the museum make sense?

OTHER FUNDS

Many of the issues cited above under the General Fund appear in the other funds within the budget. For example, employee benefits, mileage, etc. are common throughout across several funds.

Several fire departments showed large increases in allocations to professional services from 2005 to 2006. Otherwise, we have no specific comments on the other funds.

CONCLUSION

In order to reduce spending and the resulting burden on Amherst taxpayers, those in power may want to examine the questions we have posed. While the depth of our review was only superficial, we believe that consideration of these issues might result in some cost-saving results.

We also understand that many of the above issues, especially employee benefits, are a result of previously negotiated contracts. As a result, savings in these areas will have to wait until old contracts expire and new ones are negotiated.

Please also review other Free New York studies on downsizing government,
available at FreeNewYork.org:

[A Proposal to Eliminate School Districts](#)

[Free Buffalo Forms Committee to Review Amherst Budget](#)

[Comptroller's Reports Prove IDAs Must be Abolished](#)