

# **FINAL REPORT**

## **Orchard Park Government Efficiency Task Force 12/2007**

### **EXECUTIVE SUMMARY**

- Consolidation of Village and Town fosters one view of Greater Orchard Park
- Village of Orchard Park has limits on expanding tax base
- Consolidation of services has the potential to save Village residents approximately \$500 annually
- No change in services to Village or Town residents
- Town has the capacity to absorb the remaining major Village functions; Tax Collection, Clerk and Highway Department

- Revisions to Budget Process

## **I. Introduction**

A Task Force of interested Town and Village residents was formed in April of 2006 for the primary purpose of examining ways to improve government efficiencies.

The Task Force started with a phone call between Don Quinlan and John Duffy, of whom the latter had just finished reading about the size of government in WNY and was interested in “doing something about it”. Along with other Village and Town residents, Supervisor Murphy agreed to sponsor improvement activities and encouraged the group to pursue our investigation “to wherever it would lead.”

Immediately after our group was announced the calls started and social conversations evolved into the question that over the years have been asked repeatedly: “Why does Orchard Park need two layers of government?” During the review process of Town and Village services it became apparent that the budget process could be modified to improve efficiencies.

The group is all volunteer and was put together without regard to political affiliation and/or town/village residency. Additional membership was solicited from both Town and Village Boards to no avail. The Task Force members are not interested in political office, did not know the political affiliations of each other until others made it an issue, all are town residents (two of whom also live in the village) and was simply a group of concerned residents and taxpayers who strongly believe there is room for improvement in the management of our dollars.

The Task Force conducted an objective assessment of the two governments, using a variety of sources along with interviews with those willing to talk both on and off the record.

Political transformation is difficult. Change will ultimately be driven when other options are exhausted, money becomes even scarcer and the cost of the government infrastructure becomes an even more impossible burden on the Private Sector taxpayers. Unfortunately, actions may occur in a reactive instead of a proactive, planned and productive manner.

The Task Force was composed of:

James Bevevino, Town Resident  
Michael Crapsi, Town Resident  
D. Patrick Curley, Village Resident  
John Duffy, Town Resident  
Dean Kroll, Town Resident  
Don Quinlan, Village Resident (former town homeowner)

## **II. Methodology**

The Task Force conducted an objective assessment of the two governments, using a variety of sources along with interviews with those willing to talk both on and off the record. Additionally, various reports and publications were examined.

### **III. Principal Resources Utilized**

#### **1. Government**

- **Orchard Park Town Board:**

- Nancy W. Ackerman, Councilwoman
- Mark Dietrick, Councilman
- David Kaczor, Councilman
- Mary Travers Murphy, Supervisor
- Deborah Yeomans, Councilwoman (to be replaced by Graber 2008)

- **Staff / Department Heads:**

- Leonard Berkowitz, Town Attorney
- Wayne Bieler, Town Engineer
- Janis Colarusso, Town Clerk
- Andrew Geist, Building Inspector
- Samuel McCune, Chief of Police
- Frederick Piazecki Jr., Highway Supervisor

- **Village Board:**

- Stephen N. Bray, Deputy Mayor
- Edward J. Graber, Trustee (effective 2008 Town Councilman elect)
- Francis T. Hogenkamp, Trustee
- Linda A. Koller, Trustee
- John B. Wilson, Mayor

- **Staff / Department Heads:**

- John C. Bailey, Village Attorney
- Paul H. Barker, Director of Public Works
- Shirley Beyer, ZBA & Planning Board Secretary
- Mary B. Jensen, Deputy Clerk Treasurer
- Clara Lewis, Waiter Clerk
- Phillip M. Marshall, Village Justice
- Carol A. Stressinger, Clerk-Treasurer
- Jeffery Sweet, Building Inspector

#### **2. Newspapers**

- Buffalo News
- Orchard Park Bee
- Southtowns Citizen

#### **3. Miscellaneous**

- Current employees, retirees
- Village/Towns People
- Resource people from Government Agencies
- Accountants
- Other interested individuals

**4. Previously Written Material/Studies**

- Particularly “*Assessing Opportunities for Additional Inter-Municipal Cooperation in the Orchard Park Community*”. (11/2001)

**5. NYS Publications Compiled by the Office of the New York State Comptroller**

**6. Town and Village Budgets and Financial Reports**

**7. Freedom of Information requests filed with the Village of Orchard Park**

**IV. Recommendations**

**A. Consolidate Village and Town Governments Through Attrition**

The Village model of government served the original settlers well. However, times changed and population shifts occurred. The Village has lost relevance in the overall governance required in our modern society. This can be observed in many different ways, for example:

- Size-Village only
  - Population approximately: 2,800
  - Approximately 3 square miles
  - Total parcels: 1,173
  - Residential parcels: 961 are “landlocked” for future growth.
- Size-Town outside village
  - Population approximately: 28,000
  - Approximately 28 square miles
  - Total parcels: 10,595
  - Residential parcels: 8,486 have some modest opportunity for growth.

Comments about future growth are important since one of the ways a government can control increasing costs is by judicious use of available land. New York State recognized the problem of cities and villages trying to manage costs as they bumped against limited land availability and tax limits. Their solution was to allow the villages and cities to collect a “utilities gross receipt tax” paid by the residents of the communities on their gas and electric bills.

**Reasons to support:**

1. Current village budget indicates \$56,000 will be paid by village residents. If you live in the Town this tax does not apply. This can be viewed as a “hidden tax” - it is charged on villagers utility bills and remitted to the Village by the utilities.
2. Essential services supported by tax dollars are almost entirely provided by the town:
  - A common municipal building with space rented by the Village from the town

- A common town-wide police department .Same building, same courtroom, different night and sometimes a different Judge
- Fire protection - provided to Town and Village by contract with the same fire district
- Garbage collection - provided by outside contractor to both
- Library facilities - provided by Town and Erie County in town building
- School Tax Collection - Town (as a service) collects the school taxes for Village residents. Information provided indicates under New York law, the Town, if serving as the collector for the school district is entitled to a 1% fee - on dollars collected. This fee may be waived by the Town Board. Town does so -- since to do otherwise is simply trading tax dollars between the Town and the school district
- Recreation facilities maintained by the Town Highway Department
- Assessments - Done by Town - Village uses the values provided for tax purposes

3. Essential services currently provided by Village can be absorbed into Town structure

- Highway Department
- Water Service:
  - Town - directly to consumer by Erie County
  - Village - buy in bulk from Erie County and resell to the Village residents. (under review for possible modification)
- Sewer Service
  - Village recently transferred to Erie County
  - Town under review for possible similar arrangement
- Planning and Zoning Boards in place in both
- Tax collection

4. Streamline actions taken by separate Boards that effect the total population of Greater OP

- Topics addressed by each Board have a very direct effect on all residents. Members of the respective Boards do not attend each others Board meetings. They undoubtedly suffer from the same fatigue that taxpayers experience in attempting to monitor activities at each Board meeting.
  - Some specifics:
    - The proposed recreation facility will have a major impact on all Residents - largely being managed by the Town Board - yet requires Village support.
    - Building codes can and should be reviewed/centralized.
    - The “Walmart” discussion can have significant impact on the entire area - being managed by the Town Board.
    - Building moratorium impacts the Village - being managed by the Town Board.
    - Sidewalk(s) issue has implications for NYS - Village and Town.
    - Drainage issues are of town-wide concern and need management as a “town” and not two separate entities.
    - Sales tax represents a significant portion of both budgets. A unified position is needed by OP to reflect the will of all the taxpayers. Town in excess of:  
\$3,000,000                      Village: \$350,000
    - Cable franchise tax is under review and possible renewal. Represents

\$140,000 to the Town and \$25,000 to the Village. Significant questions surround the future of this tax - starting with the basic question: "Should it continue in the present form?" Migrating to the impact of state legislation, changing technology and what dollar impact will occur as the review progresses.

**Major impediments as identified by NYS to a Village/Town consolidation are:**

- Existence of separate Town/Village Police/Fire Organizations
- Separate Town and Village municipal buildings
- Concern about job loss by employees
- Loss of power, prestige and income by elected officials
- Real or imagined loss of service

**B. Consideration Should be Given to Modifying the Budgeting and Reporting Process**

The one year budget should be accompanied with a three year plan/projection. (Most companies now use this technique to plan for future events and also to gauge the future impact of actions they anticipate to take or have taken.

*Examples:*

A) Since people costs represent such a significant portion of each years budget actions taken on multi-year labor contracts can easily be projected for the next several years and become the baseline for the rolling revised part of the budget/plan.

B) Planning is underway for a possible recreation park. Time and energy is being devoted to the capital investment required - this is a one time event. The planning model (built into the future budget projections) would identify items such as:

- Loss of tax revenue due to land acquisition
- Insurance costs
- Maintenance costs
- Security expenses
- People impact(s), new or transferred
- Transportation issues
- Utilities expense
- Impact, if any, on existing facilities

**C. Consideration Should be Given to Adding a Standard Report Item to the Respective Board Meetings** (either at each meeting or as a quarterly report).

The financial officer would identify areas of concern as compared to budget/plan.

**D. Modification of Budget Materials to a More Manager/User Friendly Format**

We realize standard format is widely used, but given today's technology the material can be easily be

made more usable to the reader and more accurately reflect the true costs and areas of problem/opportunity.

- One area that needs more transparency is the whole area on benefits. Combining them together as currently done does not reflect the true costs of the sections included and therefore makes management of the costs more difficult to identify.
- The practice of adding dollars to management salary through the use of separate charges to special tax areas is troublesome. The true cost of the town management structure is understated by this methodology. As an example, total salaries approved in the budget for some elected/appointed officials equal \$376,882.00. Additional compensation paid for other responsibilities adds \$41,046.00 to total salaries of those involved.

**E. The Town Should Consider Updating and Republishing the Town Personnel Material**

Several employees have indicated frustration in this area - lack of job description - lack of reviews, etc.

**F. Separate the Salary/Benefit Structure for Elected and Appointed Individuals From the Balance Sheet of the Organization.**

This could have the effect of reducing the trampoline effect of salaries/benefits paid to parts of the organization. It appears some positions have benefits that are on the high side given the basic salary and/or time involved. In this regard it appears the Village Program is better designed to manage these expenses.

**G. Establishment of a Citizen Review Panel During the Budget Cycle**

Recognizing the sensitivity of elected and appointed officials' compensation, consideration should be given to citizen review. One possible solution would be the creation of three member group: one selected by the Supervisor, one selected by the Board and a third disinterested party. This group would be charged with the responsibility of reviewing and recommending compensation for the individuals involved.

**H. Hire Full Time Town Manager**

Assuming the Town will continue to grow and the management of laws, mandates, government liaison with others may become more complex and time intensive, hence justifying a full time manager at the expense of reducing the number of elected officials.

**I. Increase Frequency of Property Assessments**

Assessment review of town properties were last done in 1990. This activity is not mandated to be done on a regular basis. Assessments are usually a difficult procedure due to political backlash and cost (O.P. est. approximately -\$350M to \$500M). But in fairness to all concerned and considering the significance of the financial impact on the budget process we encourage the Board to consider authorizing the task in an "off" election year.

**V. Process of Implementation**

The Village Board could initiate or the Village residents could request consolidation recognizing the increasing difficulty the Village will experience as costs rise and options disappear. The Task Force suggested to the Village Board Approximately 4 months ago they embark on a phased program that would provide for a reasonably smooth transition to a new

Town structure - this would reduce the disruption for the Village employees. Adopt what is standard practice in well run companies when a change occurs due to: retirement, promotion, death or resignation. Examine the organization structure and make the desired changes (time for easiest change is when a position is open). At the time this report is submitted there still is an opening on the Village Board and the retirements of the two senior department managers in the Village organization has been filled.

Change could result in potential savings to the taxpayers of OP (figures from Village budget):

Village Board	\$30,000
Audit Function	\$10,000
Zoning / Planning	\$ 7,400
Utilities	<u>\$56,000</u>
Total	\$103,400

The figures noted above represent:

- Approximately 10% of the \$1,000,000 of total expenses in the 2007 Village budget
- Approximately 27% of the \$358,113 of the amount needed to be raised by property taxes in the 2007 Village budget

The numbers do not include current or future benefit costs. Not included are what appear to be other opportunities for savings through consolidations and efficiencies. A few examples are:

Village Justice with Town / Village	\$17,000
Lawyers with Town	\$16,000
Clerk / Treasurer (some portion since need for a - separate property tax disappears)	\$90,000
Village Garage (with Highway DPW Village Supervisor)	\$50,000

Other expenses can be realized through consolidation and efficiency gains. Through comments and written communications with Village Trustees there is no interest in exploring any consolidation/merger by the elected officials (see attached letter). Many reasons have been given with significant resistance to even discussing the issue.

The two Boards are essentially represented by the same political party – two of the town Board members (effective 2008) are village residents. It would appear that the Village “interests” would be well served. Additionally, Village residents (including current Trustees) can run for Town Office as Mr. Graber has recently successfully accomplished. The “Village area” will be well served/represented. If future relationships are a concern, perhaps a Town Board Seat would/could always be designated to be selected from “that part of town”.

## **VI. Conclusions**

The conclusion that one arrives at if one has the time, energy and interest to attend the separate meetings is that a more efficient management of Town affairs (and taxpayer money/time) would evolve if the issues are addressed by one government representing the entire town of Orchard Park as opposed to the separate actions now conducted separately by each Board.

We wish to thank all who contributed to this report. We regard it as a starting point for constructive dialogue and possible action. We welcome the opportunity to meet with any and all to correct any errors and expand on the material presented

A final plea to the respective Boards - please do not create and delegate the review/action (if any) to committees - the issues involved are worthy of the time and attention of the respective elected officials.

### **Attachments**

1. Undated letter Mayor Wilson and Deputy Mayor Bray
2. Quinlan letter 11/27/2007 requesting clarification
3. Trustee Hogenkamp response presented at 12/10/2007 Village Board meeting
4. Combination analysis to illustrate budget groupings by Village/Town activity
5. Additional analysis sheets are available upon request. In the interest of not overloading the reader, they have not been included in this report.

Currently the Village is left with a part-time Village Board consisting of a Mayor and 4 part-time Trustees managing a workforce of fewer than 20 people (4 of whom are also part-time).