

A LOCAL LAW ENTITLED "TOWN OF AMHERST EMPLOYEE SUGGESTION PROGRAM" (Chapter 12 of the Code of the Town of Amherst, New York).

BE IT ENACTED by the Town Board of the Town of Amherst, New York as follows:

§12-1. Purpose.

The purpose of the Town of Amherst Employee Suggestion Program is to secure for the Town of Amherst and its taxpayers the maximum benefit from the conservation of Town resources. The program recognizes that the employees of the Town represent an unlimited source of ideas for better ways to serve the public. Monetary awards are intended to offer a significant incentive for employees to become involved in the creative process and to amplify the capabilities of management. The Program recognizes that every employee will, by identifying problems and providing possible solutions, become in a very real sense, a part of the creative management team.

§12-2. Definitions.

SUGGESTIONS. -- A definite, constructive original idea or a new application of an old idea submitted in writing by one or more eligible Town employees which is intended to do the following: increase productivity; conserve Town resources; reduce Town costs; or improve the morale of Town employees. The suggestions must not be the kind which employees are reasonably expected to develop in the course of their regular duties.

MERIT AWARD BOARD -- This Board shall consist of the following individuals: 1) The Town Board of the Town of Amherst; and 2) two (2) private citizens with business backgrounds, to be appointed annually by a majority vote of the Town Board at the Town Reorganization Meeting.

The Merit Award Board shall have the power and duty to make Rules and Regulations pertaining to the payment of employee awards. All decisions of the Merit Award Board regarding the worthiness of a suggestion for an award and the amount of such award shall be final and binding and shall not be subject to review in any court or before any other body, except as provided for in the Rules and Regulations promulgated in accordance with this local law.

Members of the Merit Award Board shall not receive any salary or compensation for service as members of such Board. However, Town Board members will continue to receive their regular salaries as provided by law.

SUGGESTION REVIEW COMMITTEE -- This Committee shall consist of the following individuals: 1) the Director of Personnel; 2) the Director of Finance; 3) three (3) private citizens with business backgrounds, to be appointed by the majority of the

Town Board. These individuals shall not also serve on the Merit Award Board; and 4) a Department Head as designated by the Town Board.

The Suggestion Review Committee shall receive all suggestions, as defined above, review them and forward their recommendations to the Merit Award Board for final determination. The Suggestion Review Committee may use other resources in order to complete their investigation/analysis.

The Suggestion Review Committee shall have the power to make all rules and regulations implementing the receipt of suggestions by employees, the review of such suggestion by the Suggestion Review Committee, and the criteria for determining which suggestions shall be forwarded to the Merit Award Board. All decisions of the Suggestion Review Committee shall be final and binding and shall not be subject to review in any court or before any other body, except as provided for in Rules and Regulations promulgated in accordance with this local law.

Members of this Suggestion Review Committee shall not receive any salary or compensation for service as members of the Committee.

**ELIGIBLE EMPLOYEE** -- All Town employees, whether full-time, part-time, or volunteers, are eligible to submit suggestions. Former employees are also eligible as long as the suggestions were submitted prior to separation of service with the Town, such separation was voluntary, and the suggestions are implemented within one (1) year of submittal. Department heads and supervisors, where supervisors' job responsibilities call for them to seek methods to improve operations or services, shall not be eligible for cash awards for suggestions which deal with operations under their own supervision. They may, however, receive cash awards for suggestions that deal with operations other than those under their supervision or assigned general responsibility.

Elected officials of the Town may never receive cash awards.

#### §12-3. Procedures.

All necessary procedures for the submission and review of suggestions, or for the awarding of monetary awards, will be established by the Suggestion Review Committee or the Merit Award Board, respectively, subject to the following guidelines.

A. All suggestions become the property of the Town of Amherst upon their receipt and all decisions of the Merit Award Board or the Suggestion Review Committee shall be final and binding and non-reviewable, except as provided for in the Rules and Regulations promulgated in accordance with this local law.

B. Duplicate suggestions cannot be given consideration for cash awards. If duplicate suggestions are dated on the same day, the time received in the Town Personnel Office shall govern and the first filed shall be the only one eligible for award.

C. In order to be eligible for a cash award, a suggestion with tangible benefits must result in at least \$1,000.00 in projected savings during the first year after implementation.

D. The amount of the cash award shall be ten percent (10%) of the first year's tangible monetary benefit with no cap.

E. All employees who have a suggestion adopted, either individually or in collaboration with others, will receive an Employee Suggestion Award Certificate and a

letter of commendation, both of which will become a permanent part of their personnel record.

F. All monetary awards will be charged to the budget or department which benefits most from the suggestion.

G. Rules and Regulations adopted pursuant to this Local Law shall govern the character and quality of acceptable suggestions, the method of submission and the procedures for their review, the manner in which the suggestions will be passed on to the Merit Award Board, the value of awards, the issuance and payment of such awards, and any other policies and procedures as may be deemed necessary or appropriate for the proper administration of this local law.

H. Nothing herein shall be construed to change or otherwise modify the terms of any collective bargaining agreement existing between the Town of Amherst and any duly organized employee union of the Town of Amherst.

#### §12-4. Funding and expenditure of moneys.

The Town Board is hereby empowered to fund and expend moneys for the purpose of this local law.

#### §12-5. Severability.

If any clause, sentence, paragraph, or part of this local law or application thereof to any person or circumstances shall be adjudged by any court to be invalid, such judgment shall not affect, impair, or invalidate the remainder thereof or the application thereof to other persons and circumstances but shall be confined in its operation to the clause, sentence, paragraph, or part thereof and the persons and circumstances directly involved in the controversy in which such judgment shall have been rendered.

#### §12-6. Effective Date.

This local law shall take effect immediately upon filing with the Secretary of State of the State of New York pursuant to the Municipal Home Rule Law of the State of New York and the Code of the Town of Amherst.

REGULATIONS FOR THE IMPLEMENTATION  
OF THE EMPLOYEE SUGGESTION PROGRAM

1. The Submitter.

The Submitter must complete the Town of Amherst Employee Suggestion Form in as much detail as possible. The form must be signed and dated; the Submitter should attach any additional information which will assist the Suggestion Review Committee in evaluating the suggestion. The Submitter may request assistance from a supervisor in completing the form.

The Submitter must turn in the completed Suggestion Form at the Town Personnel Office together with ten (10) copies thereof, where the suggestion will be stamped with the date and time. One copy will be given to the Submitter to be retained by the Submitter.

Verbal suggestions cannot be given any consideration for awards. However, unsigned suggestions will be accepted and will be processed anonymously if the Submitter so desires and indicates. All suggestions become the property of the Town of Amherst upon receipt and filing. All decisions of the Merit Award Board regarding the worthiness of suggestions for awards shall be final and binding and non-reviewable, except as provided in these regulations.

2. The Town Personnel Office

The Town Personnel Office will record all received suggestions and send a copy of the suggestion to the department or departments affected within two (2) business days of filing. It shall request a meeting of the Suggestion Review Committee at least monthly if any unreviewed suggestions are pending. The Personnel Office will inform Submitters of any delay in processing their suggestions.

Duplicate suggestions cannot be given consideration for cash awards. If duplicate suggestions are received, the suggestion received first, as indicated by the date and time stamp, shall govern. That first suggestion will be the only one eligible for award. With the sole exception of group suggestions as indicated below, duplicate awards shall not be made.

It may be necessary for several persons to collaborate in the preparation and submission of a suggestion. If such a suggestion is adopted and implemented, any resultant cash awards will be divided between the Submitters whose names appear on the Suggestion Form in the percentage determined by the Submitters prior to submission of the suggestion. This percentage breakdown shall be indicated on a separate sheet of paper which shall be attached to the Suggestion Form and separately signed by each of the submitters. If no percentage determination is indicated by the Submitters, the Merit Award Board shall assume that all parties contributed equally and apportion any resultant cash award accordingly.

Suggestions involving a patent are eligible for awards. However, the Town and the Submitter(s) must negotiate an arrangement for patent rights.

3. The Suggestion Review Committee (“SRC”)

The SRC must meet within thirty (30) days of a request by the Town Personnel Office for such a meeting.

All suggestions recommended by the SRC shall be subjected to a trial implementation period. The SRC will determine the length of the trial implementation period.

Upon completion of the trial implementation period, all suggestions will be forwarded to the Merit Award Board, along with recommendation of the Committee to either accept or reject the suggestion, and the SRC's recommendation of the amount of the award, if any. The Merit Award Board will then make its decision to approve full payment of an award, a percentage of the full payment, or extend the trial implementation period.

A. Determining the merit of a suggestion.

The Suggestion Review Committee will determine the merit of suggestions being reviewed on criteria which include, but are not limited to, the following: Does the suggestion,

- 1) increase productivity;
- 2) conserve Town resources;
- 3) reduce Town costs;
- 4) improve working conditions of Town employees; or
- 5) improve the morale of Town employees.

The suggestions must not be the kind which employees are reasonably expected to make in the course of their regular duties.

B. Determining the amount of the award.

In order to be eligible for a cash award, a suggestion with tangible benefits must result in at least \$1,000.00 in projected savings during the first year after implementation. The award shall be ten (10) percent of the first year's tangible monetary benefits, with no cap.

The amount of tangible monetary benefits will be calculated as follows: the estimated net monetary benefits for the first full year of operation following the adoption or implementation of the particular suggestion minus the implementation costs of the suggestion. An exception may be made in cases where an improvement with a high implementation cost will yield measurable savings beyond the first year; the award may then be based on the average of the estimated tangible monetary benefits over a period of the first three years. In special cases, where the benefits cannot be calculated with any degree of accuracy prior to full implementation, a token cash award may be made and the determination of the total award amount deferred until the adopted suggestion has been in operation for a period of no less than six (6) months.

The estimated net monetary benefits of adopted suggestions can be computed based on actual or estimated savings in the form of:

- 1) Personal Services
  - a) direct labor costs (Any suggestion which consists only of the elimination of an employment position or positions, will not be considered a valid suggestion for purposes of this program)
  - b) fringe benefits (if applicable)
  - c) management and administrative costs
- 2) Equipment or Capital Costs

These costs will be amortized over the life of the equipment. The first year's depreciation shall be considered as an implementation cost.

- 3) Energy or Fuel Costs
- 4) Materials and Supplies
  - a) materials – the raw material or purchased parts comprising a major component of the activity under investigation.
  - b) supplies and tools – items necessary to perform the service; i.e. forms, secretarial supplies, tools, etc.
- 5) Financial Elements
  - a) interest savings or expense
  - b) inflation considerations
- 6) Miscellaneous Costs
  - a) additional or reduced space requirements
  - b) training efforts
  - c) communication costs (telephone, mail, etc.)
  - d) safety and security
  - e) contractual arrangements (rental, leases, etc.)

EXAMPLE: The Town spends \$100,000 in road salt every winter to ensure that Town roads are free from ice. Employee A suggests a method which, after investigation/analysis, the SRC and MAB determine will reduce the Town's cost for road salt to \$75,000 for every year in the future.

The estimated net monetary benefits of the Employee A's suggestion is \$25,000 (\$100,000-\$75,000). The implementation costs of the suggestion total \$10,000. Therefore, the tangible monetary benefit is \$15,000 (\$25,000 minus \$10,000).

If the MAB determines that monetary awards should be ten (10) percent of the tangible monetary benefit of the suggestion, Employee A would receive a monetary award of \$1,500.

The same procedure used to compute awards for suggestions submitted by individuals shall also be used for group suggestions. The total award shall be the same as thought the suggestion was submitted by one person.

All monetary awards shall be treated as wages for tax purposes, and are subject to applicable federal and state payroll taxes. All awards will be charged to the budget of the department which benefits most from the suggestion.

#### 4. Merit Award Board ("MAB").

The MAB will meet quarterly and review all suggestions received from the SRC. The MAB shall review, and if appropriate, approve recommendations from the SRC for the adoption of suggestions based on merit. The MAB must then establish the appropriate amount of monetary award to be made for suggestions adopted, relying, if appropriate, on the SRC's recommendation for the amount of awards.

The MAB may consider other factors, and the decision of the Board shall be final and binding and non-reviewable, except as provided for in these Rules and Regulations.

The Merit Award Board, using its discretion, may approve the full payment of an award, approve a percentage of the full award or extend the trial implementation period.

Suggestions resulting in a documentable intangible benefit for a substantial period of time may be eligible for a nominal monetary award.

All employees who have a suggestion adopted, either individually or in collaboration with others, will receive an Employee Suggestion Award Certificate with a letter or commendation, both of which will become a permanent part of their personnel record.

5. The Supervisor.

The Office of the Supervisor is responsible for reporting of cash awards made to eligible employees by the Merit Award Board; and advising Submitters of the final determination of their suggestions.

The Supervisor, after every MAB meeting, and within fourteen (14) days of the meeting, shall produce a list of award winners, if any, and the type and amount of their awards, if any.

6. Rejected Suggestions – Appeals.

An eligible suggestion that has been rejected by the Merit Award Board shall be returned to the Submitter by the Supervisor, along with a letter indicating the disposition of the suggestion and the reason for rejection. The decisions of the MAB and the SRC are final and binding and non reviewable by any body or court, except as follows: An employee can submit further evidence of the potential savings or merit of the suggestion within one (1) year of the receipt of a rejection letter. The Suggestion Review Committee will review the suggestion again and forward their recommendation to the MAB. If, after a suggestion has undergone this process, it is again rejected, the rejection of the suggestion is final.

7. Disclaimer

The Rules and Regulations governing the Employee Suggestion Program are subject to change at any time without prior notice pursuant to §12-2 of Local Law 8 - 2003.

Adopted: July 21, 2003

Revised: February 4, 2004