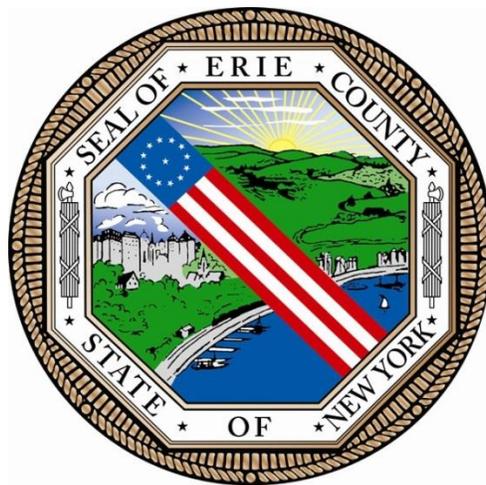


July 2020

**A Report on Overtime Expenses
Charged to COVID-19 Relief Fund**



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July 15, 2020

Erie County Legislature
92 Franklin Street 4th Floor
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Dear Honorable Members:

The Erie County Comptroller's Office has completed a report on certain personnel expenses charged to fund 252, commonly known as CARES Act relief for municipalities.

Our objectives were to:

- Quantify the amount of expenses attributed to fund 252 for personnel.
- List Managerial Confidential recipients of overtime and other payments.

To accomplish these objectives, we reviewed expenses attributed to fund 252.

While in the process of preparing this report, questions were asked regarding overtime at an informational meeting of the Finance & Management Committee of the Legislature on July 13, 2020. The Chairwoman, citing concerns about the unusualness of certain employees being allowed to earn overtime, asked questions specifically about overtime earned by MC employees. As a result of this request, we have provided information which may be helpful in a continuing discussion regarding personnel expenses charged to fund 252.

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Background

On March 25, 2020, the United States Senate passed the “Coronavirus Aid, Relief and Economic Security Act” (CARES) as amended. The United States House of Representatives approved the measure on the following day, and the bill was signed into law on March 27, 2020.

The CARES act is currently the largest relief act in United States history. It was the third relief measure passed to counter the physical and economic impacts of COVID-19, a coronavirus which originated in China, spread internationally, and whose epicenter is now the United States. Even as the rest of the nation is experiencing a surge of cases not currently seen in Erie County, Erie County is experiencing a rate of death from COVID-19 compared to positive cases of 8.4%. This compares to 4.1% for the United States as a whole, and 6.2% for New York State as a whole.

While COVID-19 has resulted in a physical toll to Erie County residents, it has also taken a fiscal toll on Erie County government finances. The Comptroller declared a deficit on May 4, 2020, and the legislature approved a deficit reduction plan on June 18, 2020. The approved deficit reduction plan called for about 65 layoffs.

The CARES Act provided significant aid to local governments to combat COVID-19. Erie County received \$160 million in federal funding. Erie County created a special fund to account for expenses permissibly reimbursed by CARES Act governmental funding. The fund is identified as fund 252. The money in fund 252 can be used for various purposes related to combatting COVID-19. These purposes include wages to individuals who tasks are to substantially address COVID-19, outfitting offices and other areas to reduce potential exposure to COVID-19, fortifying capacity to work remotely to avoid COVID-19, and supplies and protective gear to guard against COVID-19, to name just a few permissible uses. There have been suggestions that law may be amended to allow governments to use this source of funds to address other needs, such as loss of tax revenue due to business closures. However, at this time, such a plan is speculation.

As stated, a permissible use of CARES Act funding is to pay employees who efforts are substantially devoted to addressing COVID-19. As a result, some employees have been hired specifically for such tasks, while others have been authorized overtime for such tasks. The tasks needed to address COVID-19 are varied, and may be different from tasks typically undertaken by employees in their daily activities.

This report focuses specifically on personnel costs associated with fund 252.

Total Expenditures

Personnel related costs for fund 252 through July 10, 2020 are as follows:

<u>Commitment Item</u>	<u>Total Actuals</u>
Full Time - Salaries	\$6,494,280
Part Time - Wages	\$86,298
Regular PT - Wages	\$76,265
Seasonal Wages	\$35,324
Shift Differential	\$77,009
Holiday Worked	\$164,560
Line-up Pay	\$11,671
Other Employee Payments	\$3,674
Overtime	\$3,219,610
Fringe Benefits	\$3,508,001
Employer FICA	\$200,648
Employer FICA - Medicare	\$47,259
Hospital & Medical - Retirees	\$2,642
Retirement	\$440,020

These amounts include expenses related to compensating Erie County employees, such as wages, fringe benefits and retirement. They do not include the services of outside vendors, such as found in professional services contracts, training and education expenditures, or other such expenditures.

The total amount expended for these personnel related lines is \$14,367,260. Of that amount, \$3,219,610 has been expended on overtime and \$164,560 has been spent on holidays worked.

Overtime

Of the \$3,219,610 expended for overtime, \$825,039 has been paid to 54 MC employees. This amounts to approximately 25.6% of overtime payments to employees. MC employees comprise 6.5% of the county workforce. While the process for allocating overtime to union represented employees is outlined in labor contracts, MC employees are not bound to the terms of those contracts for overtime assignment purposes.

The following are overtime payments made to MC employees from fund 252:

<u>Office</u>	<u>Title</u>	<u>Hours</u>	<u>Amount</u>
Health	Commissioner	580.14	\$83,996
Sheriff	Chief of Special Services	659.5	\$53,927
Sheriff	First Deputy Superintendent - Compliance	549.5	\$49,451

Sheriff	Undersheriff	473.5	\$46,538
Sheriff	First Deputy Superintendent	540	\$44,156
Sheriff	Chief of Administration	503	\$40,286
Emergency Services	Commissioner	498.89	\$39,185
Sheriff	Superintendent	437	\$38,513
Sheriff	First Deputy Superintendent	434.5	\$34,071
Sheriff	Chief Deputy Sheriff	412.75	\$33,058
Emergency Services	Deputy Commissioner - Preparedness	548.28	\$32,864
Sheriff	Chief of Operations	490.25	\$32,049
Emergency Services	Deputy Fire Coordinator - Fire Safety	515.91	\$28,394
Sheriff	Captain	419	\$27,922
Personnel	Commissioner	241.63	\$20,090
Sheriff	Chief Deputy - Civil	252.75	\$18,722
Emergency Services	Public Safety Officer - Special Assistant	402.79	\$18,015
Purchasing	Director	219.48	\$17,604
Sheriff	Special Assistant to the Sheriff	371	\$17,568
Law	Assistant County Attorney	201.05	\$17,292
County Executive	Deputy County Executive	114	\$13,510
Health	Deputy Commissioner	192.14	\$11,517
Public Works	Deputy Commissioner	182.23	\$11,439
Personnel	Deputy Commissioner	197.46	\$11,341
Personnel	Chief of Classification and Compensation	116.38	\$9,141
Information Support Services	Director of Information Technology	101.88	\$8,368
Public Works	Commissioner	61.47	\$6,500
Labor Relations	Commissioner	81.31	\$6,207
Social Services	Commissioner	59.73	\$6,167
Sheriff	Chief of Community Services	136	\$5,396
Budget and Management	Deputy Budget Director	63.97	\$5,131
Information Support Services	Chief Information Officer	37.26	\$4,416
Central Police Services	Commissioner	43.69	\$3,632
Personnel	Secretary, Commissioner of Personnel	88.53	\$2,854
Senior Services	Commissioner	34.75	\$2,787
Social Services	First Deputy Commissioner	26.82	\$2,571
Law	County Attorney	19.75	\$2,340
Health	Secretary to the Commissioner	56.18	\$2,242
Law	First Assistant County Attorney	21.1	\$2,009
Public Works	Special Assistant to the Commissioner	29.83	\$1,980
County Executive	Chief of Staff	23.75	\$1,740
County Executive	Junior Administrative Consultant	23.95	\$1,288
County Executive	Deputy Press Secretary	23.16	\$1,245
Youth Detention	Deputy Commissioner	15.77	\$1,156
County Executive	Administrative Assistant to the Chief of Staff	27.43	\$1,087
County Executive	Secretarial Assistant - County Executive	26.23	\$885

County Executive	Junior Administrative Consultant	17.97	\$876
County Executive	Legislative Liaison	14.62	\$786
County Executive	Administrative Assistant to the Chief of Staff	17.1	\$784
County Executive	Secretary to the Deputy County Executive	15.56	\$538
Personnel	Personnel Specialist	7.92	\$436
County Executive	Secretarial Assistant - County Executive	13.42	\$429
Personnel	Training Coordinator	5.13	\$276
Budget and Management	Coordinator of Grants and Program Administration	4	\$266

Holiday Pay

In addition to overtime, some employees received compensation for working on county recognized holidays. Since CARES Act funding became available, there have been three county recognized holidays (and the day generally celebrated by Erie County): Good Friday (April 10); Memorial Day (May 22); and, Independence Day (July 3). A total of \$31,281 was paid to MC employees through fund 252 for working on these holidays.

The following are holiday worked payments made to MC employees from fund 252:

<u>Office</u>	<u>Title</u>	<u>Hours</u>	<u>Amount</u>
Health	Commissioner	29.08	\$4,210
Sheriff	Undersheriff	29	\$2,850
Sheriff	First Deputy Superintendent - Compliance	20.5	\$1,845
Purchasing	Director	19.73	\$1,583
Emergency Services	Commissioner	20	\$1,571
Sheriff	Superintendent	17	\$1,498
Sheriff	First Deputy Superintendent	17	\$1,390
Sheriff	Chief of Special Services	17	\$1,390
Sheriff	First Deputy Superintendent	16.5	\$1,294
Sheriff	Chief Deputy Sheriff	15.5	\$1,241
Sheriff	Chief of Operations	17	\$1,111
Emergency Services	Deputy Fire Coordinator - Fire Safety	20	\$1,101
Sheriff	Chief of Administration	13.5	\$1,081
Emergency Services	Public Safety Officer - Special Assistant	20	\$895
Labor Relations	Commissioner	11.37	\$881
Social Services	Commissioner	8	\$826
Personnel	Commissioner	8	\$665
Health	Deputy Commissioner	11	\$659
Sheriff	Chief Deputy - Civil	8.5	\$630
Personnel	Chief of Classification and Compensation	6.6	\$518
Emergency Services	Deputy Commissioner - Preparedness	8	\$480

Personnel	Deputy Commissioner	8	\$455
Public Works	Deputy Commissioner	6.4	\$402
Sheriff	Captain	6	\$400
Budget and Management	Deputy Budget Director	4.92	\$395
Health	Secretary to the Commissioner	8.45	\$337
Personnel	Secretary, Commissioner of Personnel	10.03	\$323
County Executive	Chief of Staff	3.02	\$221
Sheriff	Special Assistant to the Sheriff	3	\$142
Sheriff	Chief of Community Services	1	\$40

Other Overtime

The above payments are limited to overtime expenses paid from fund 252. Overtime was also paid to employees in other funds. However, viewing the history of overtime payments made to other funds, it is not uncommon for payments from other funds to be switched to fund 252 at a later date. As such, the above figures should not be viewed as a cap on amounts that will be charged to fund 252 as of July 10, 2020. The above amounts may change if overtime is ultimately transferred from another fund to fund 252.

For example, the Office of the County Executive did not include overtime in the proposed or legislature approved 2020 budget. We sampled two employees, the Chief of Staff and the Press Secretary, to determine if overtime was paid since April 3, 2020. A total of \$4,590 has been paid in overtime to these two employees since April 3. However, only \$1,740 of that amount has been charged to fund 252. This would leave a deficit in the overtime line of \$2,850 which would have to be addressed through budget adjustments, unless it is permissible to assign the payments to fund 252.

The above-mentioned example is not unique to the County Executive's office and is intended only as an example to indicate that overtime charged to fund 252 could change, even though the overtime has already been paid to employees.

Conclusions

The CARES Act provides Erie County with \$160 million to combat COVID-19. The funds are to be used for COVID-19 related expenses that were not otherwise anticipated in the budget. Although it has been speculated that the law will be changed to allow governments to use funds to address needs such as revenue shortfalls, no change has yet been made to the law.

To date, over \$14 million has been expended on personnel related expenses. This includes \$3.2 million for overtime and almost \$165,000 for holidays worked. Of the overtime expenditures, over 25% has been paid to MC employees, as opposed to civil service employees.

Given that Erie County recently instituted a hiring freeze and laid off approximately 65 employees, and given that some tasks being performed are not directly related to the positions for which employees are earning overtime, WE RECOMMEND that the County give consideration to rehiring the laid off workers, if feasible, to perform tasks being performed by individuals earning overtime.

Further, WE RECOMMEND that, if feasible, the hiring freeze be lifted to hire individuals at lower rates than are being paid in overtime payments. Caution should be exercised to ensure that the increased cost of fringe benefits does not result in such a position being more costly.