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County of Erie

MARK C. POLONCARZ
COMPTROLLER

ED

December 14, 2011

Erie County Legislature
92 Franklin Street, 4th Floor
Buffalo, New York 14202

RE: Comptroller's Review of Overtime Costs in the Department of Public Works

Honorable Members:

Please find attached this office's report on overtime costs within the Department of Public Works ("DPW"). The objectives of this review were to (1) analyze the Highway operations within DPW and determine the major cause(s) of overtime (2) analyze the overtime hours worked by plow drivers and (3) recommend ways to reduce overtime.

If you should have any questions or concerns regarding this review, please do not hesitate to contact my office at 716-858-8400. I look forward to working with your Honorable Body in the coming months on this and other matters.

Sincerely yours,

A handwritten signature in blue ink, reading "Mark C. Poloncarz".

Mark C. Poloncarz, Esq.
Erie County Comptroller

Attachment

1E-2

December 2011

AN ANALYSIS OF HIGHWAY DISTRICT OVERTIME

July 1, 2009 through June 30, 2011



MARK C. POLONCARZ
ERIE COUNTY COMPTROLLER

Michael R. Szukala, MBA, CIA

Deputy Comptroller - Audit & Control

December 2011

Erie County Fiscal Stability Authority
295 Main Street, Room 946
Buffalo, New York 14203

Dear Control Board Members:

Due in part to the recent events and trends that have resulted in the weakening of our national economy and the trickle-down effect to the state and local governments, the goal of any business, organization or government should be to control and reduce costs. It is with that goal in mind that you have requested that we¹ review the increasing overtime costs within the Department of Public Works ("DPW"). Specifically, you have requested that we determine the cause(s) of the overtime and to provide appropriate recommendations for reducing overtime where possible.

The scope of our review was July 1, 2009 to June 30, 2011. This period was selected in order to obtain a full two years' worth of data for any overtime caused by weather, especially time worked by plow drivers in the winter.

BACKGROUND

DPW is one of the largest departments in the County. It is comprised of the following major sections: Office of the Commissioner, Division of Buildings and Grounds, Division of Weights and Measures, Division of Highways and the Division of Fleet Services. While overtime in our review period totaled \$1,395,186 for buildings and grounds, we focused our attention solely on the overtime costs of \$4,692,307 at the highway districts for the period July 1, 2009 through June 30, 2011.

At one time there were two separate highway barns per district many of which have since been consolidated or eliminated. There are currently five highway districts remaining - Clarence, Lancaster (officially located at Harlem Road), Hamburg, East Aurora, and East Concord.

For snowplowing purposes, DPW management has established about eight plowing routes for each of the five highway districts. Each of these forty plowing routes covers approximately 30

¹ In this document, the words "We", "Audit" and "Our" refer to the Division of Audit and Control.

to 40 miles as necessary to clear the 1,200 lane miles of roads in Erie County. Maps of those routes were provided to Audit as part of our analysis.

According to DPW management, the County has in excess of 65 vehicles that could be used for plowing although we are of the understanding that some of these vehicles do not have the capability to perform heavy duty highway plowing. In addition, we were informed that there are about 96 drivers (mostly motor equipment operators) that can be assigned to plow roads. We confirmed that there were over 100 employees in our scope period, including 65 motor equipment operators, that received plow 2 straight-time or plow 3 overtime (codes for one-person plowing [OPP]) which purportedly is to be utilized for plowing roads.

For obvious reasons, most of the weather related overtime takes place in the winter months. Occasionally, other non-winter weather related overtime occurs like for the October Storm of 2006 or the southern tier floods of 2009 and even lane striping during the warmer months. Because overtime is always an issue that has to be addressed, DPW for many years has utilized shift work during the snow plowing season in an attempt to control overtime. This year DPW management has implemented summer work shifts to control overtime caused by road striping.

OBJECTIVES

The objectives of our review were to:

- Analyze the Highway operations within DPW and determine the major cause(s) of overtime.
- Analyze the overtime hours worked by plow drivers.
- Recommend ways to reduce overtime.

TESTING

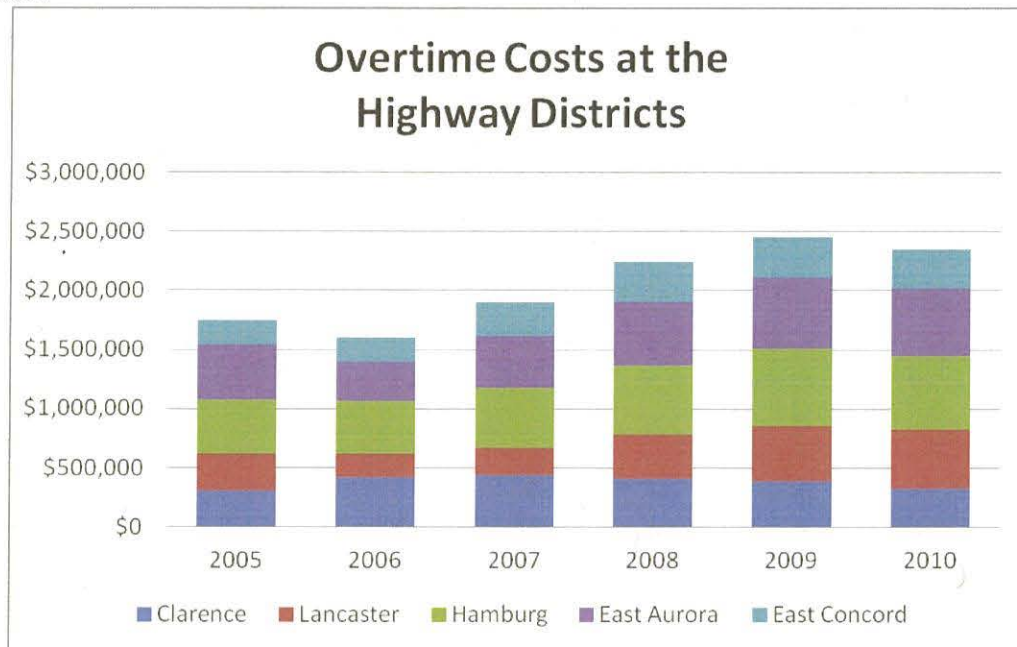
We utilized SAP (the County's accounting system) to generate various reports with regard to overtime earned during our scope period at DPW's five highway districts. This enabled us to get both a current and an historical picture of overtime at these locations. We looked at factors such as the number of employees at each district, job titles, seniority, locations worked, hours of overtime worked, types of overtime worked and total overtime dollars earned. The data was analyzed to see if we noted any reasons that may have caused spikes or trends in overtime hours worked and overtime dollars earned.

We also looked at the amount of overtime hours worked by employee to determine whether or not safety could be an issue in cases where some employees could be working excessive overtime hours without adequate time off for rest between compounded or successive overtime shifts worked.

FINDINGS

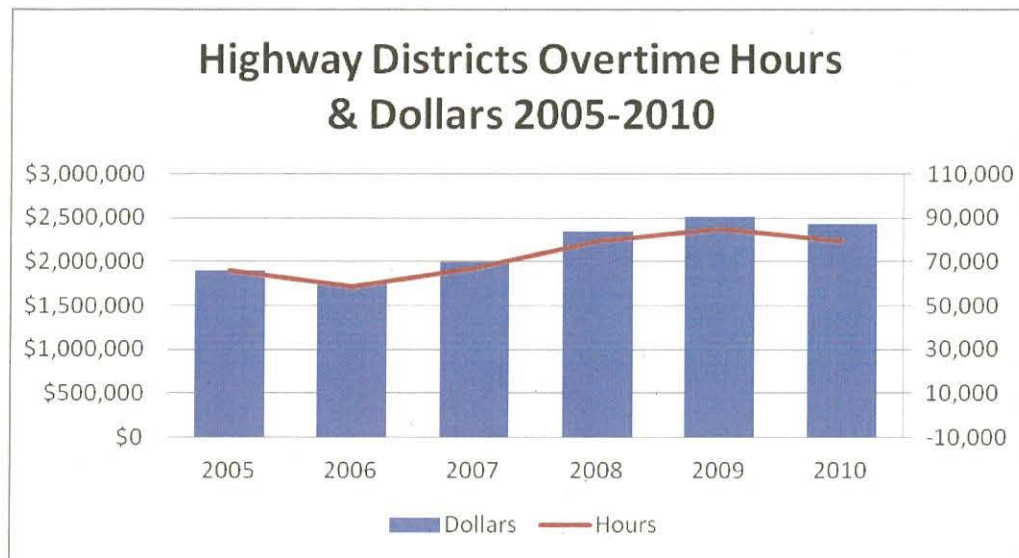
1. Overtime has been on the increase for the last four years (see Exhibit A).

Exhibit A



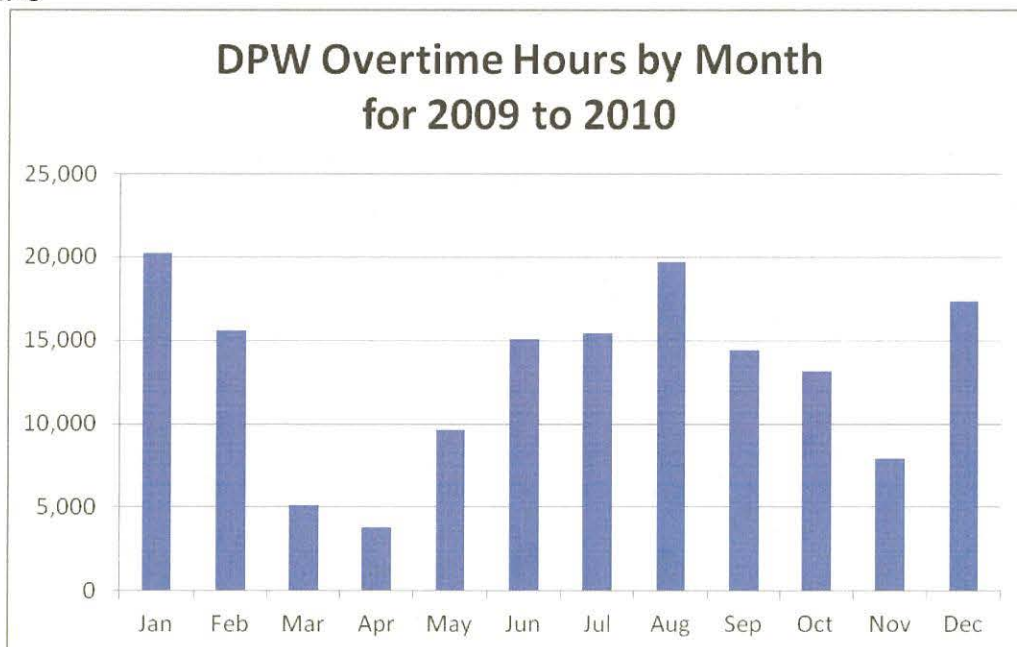
An explanation provided by DPW is that the main cause of overtime at the highway districts was weather related. While this may be a reason, it certainly does not explain why total hours worked (and overtime hours paid) is incrementally increasing from year to year (see Exhibit B).

Exhibit B



A reason such as ‘weather related’ does not, in and of itself, address those increases because the weather has not been getting incrementally worse each and every year and there is a lot of “good” weather overtime as well (see Exhibit C).

Exhibit C



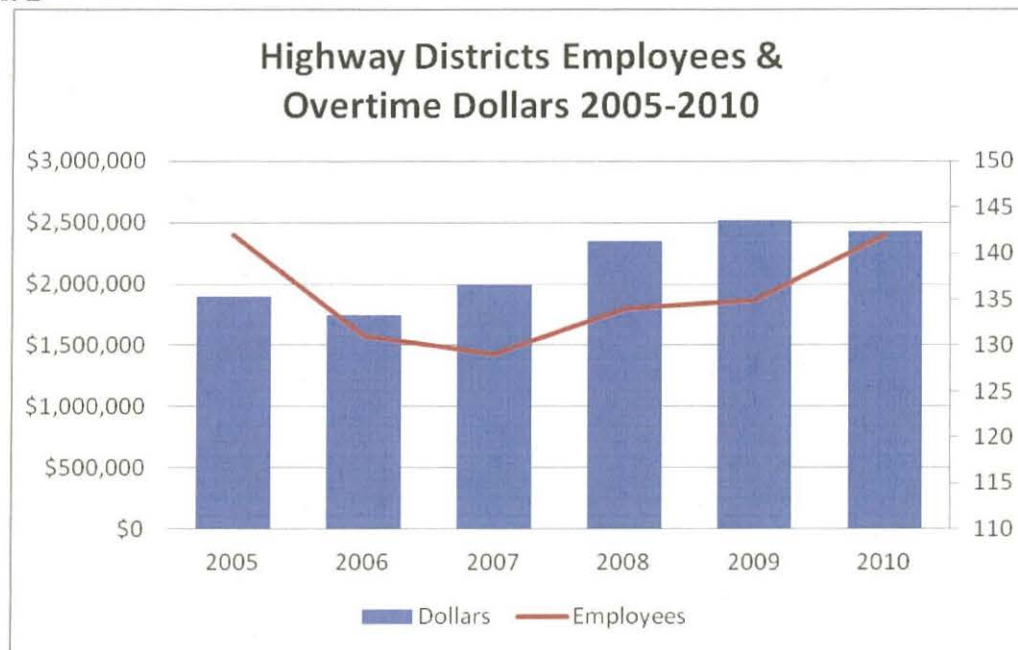
We tried to determine if the amount snowfall was a determining factor in the amount of overtime worked during the winter. While we were able to gather snow totals for towns, we were not able to show a direct relationship to the overtime worked. We determined many reasons for this

including: even a small amount of snow, when coupled with wind, can keep snow plows on the road many hours; slippery roads with little or no snow increases overtime hours for salting purposes; even if it is not snowing, wind can blow existing snow and bury certain roads thus creating overtime for plows to “bench” or “shelve” snow banks on the sides of roads.² With these weather variables and others, it is impossible to directly link snowfall totals to overtime worked.

The number of employees has increased since 2006. (See Exhibit D).

² “Benching” and “Shelving” are tasks where snow removal equipment is used to compact or move snow that has already been removed from the road surface. This is done to provide space for future snowfall.

Exhibit D



Note: The employees noted in this exhibit represent those who actually worked not budgeted employees.

WE RECOMMEND that DPW management seriously evaluate the cause(s) of overtime and reassess what can be done to keep overtime hours from increasing annually. At a minimum, this may require reassignment of staff on a temporary basis from one district to another or exercising greater scrutiny over routine daily work that results in unnecessary overtime.

2. Some employees are working an inordinate amount of overtime on a continual basis throughout the year which cannot always be attributed to the weather

We noted in our scope period, one employee in particular (a General Crew Chief) who worked 473 overtime shifts. (See Exhibit E). In addition to the normally scheduled work shift, this equates to working an overtime shift each and every day for the entire year plus some weekends over a two year period.

According to the DPW Commissioner, this was due to the fact that there was only one General Crew Chief at this location and it was his opinion that overtime is more cost efficient than a new hire. While our objectives did not include an analysis of overtime versus the comparative costs of promoting an existing employee to fill the vacancy, we evaluated whether or not it would be logical to hire another General Crew Chief. It does appear that if a current employee was advanced to this job level, the total of salary plus fringes at approximately 55% would be more expensive than the existing employee continuing to work excessive overtime. However, in the

long run such a promotion might be the better alternative when taking into consideration both the fatigue factor and safety concerns for an employee overextending himself for a prolonged period of time. Additionally, General Crew Chief overtime could potentially be a problem at all the districts, as four of the highway districts have only one General Crew Chief while the remaining district has none.

The number of job titles within DPW makes an analysis of staffing difficult, as does the number of highway barns. A position that generates overtime at one barn, at one time of the year, may not see that level of overtime at another barn or at another time of the year. The expertise demanded of various job titles covers a wide range of skills. An employee with, for example, a Blacksmith title, may be ill equipped to perform the tasks of a General Crew Chief. Moving employees between titles simply to reduce overtime, therefore, becomes difficult.

Exhibit E-Top Ten Overtime Earners

Title	OT Hours	OT Shifts	Regular Hours	Rate 2 Hours	Regular Shifts	Total Hours	Weeks	Hours/Week ²	Hours/Day ³	OT Hours/Reg Shift ⁴
General Crew Chief ¹	3,786	473	3,129	0	391	6,915	104	66	9.5	9.7
Mechanic ¹	2,682	335	2,945	601	443	6,228	104	60	8.6	6.1
General Crew Chief	2,442	305	3,411	0	426	5,853	104	56	8.0	5.7
General Crew Chief	2,160	270	2,900	41	368	5,101	104	49	7.0	5.9
Mechanic	2,113	264	3,317	0	415	5,430	104	52	7.5	5.1
Motor Equip Operator	2,110	264	1,433	2,389	478	5,932	104	57	8.1	4.4
Laborer ¹	1,952	244	3,395	0	424	5,347	104	51	7.3	4.6
Motor Equip Operator	1,856	232	3,418	0	427	5,274	104	51	7.2	4.3
Mechanic	1,842	230	3,297	0	412	5,139	104	49	7.1	4.5
Blacksmith	1,790	224	1,189	2,297	436	5,276	104	51	7.2	4.1

1 Did not have Plow 2 or Plow 3 time

2 For a two year period, or 104 weeks

3 This includes every day of the year (365 x 2 years)

4 Overtime hours worked for every regular shift worked

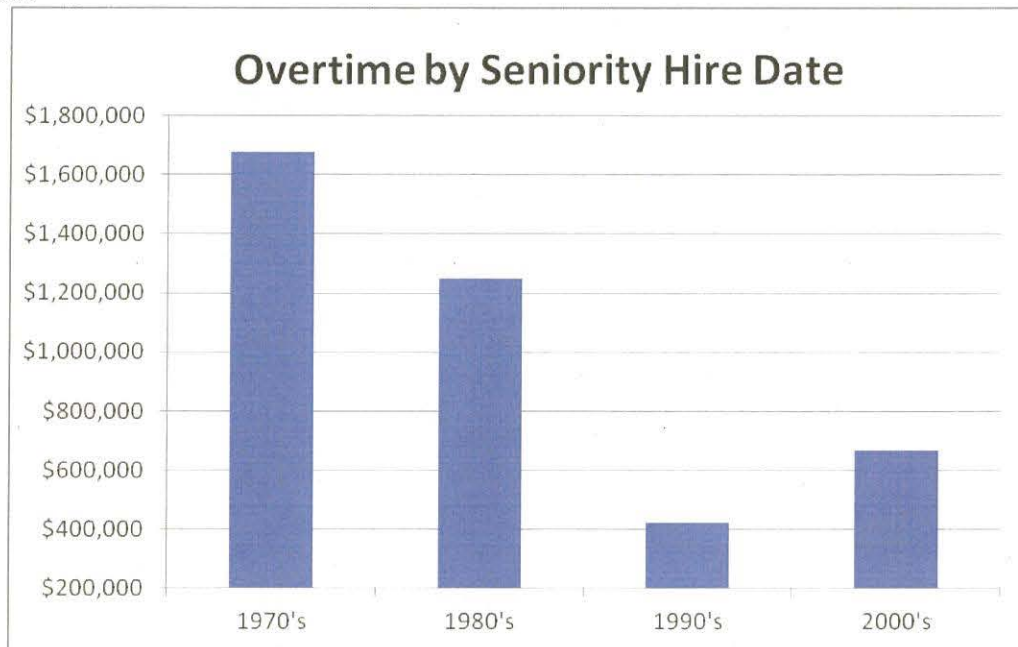
WE RECOMMEND that DPW management more closely monitor overtime to eliminate possible abuse, to keep a check on casual or unnecessary work that could be performed during normal work hours and to ensure that the use of overtime requires specific supervisory approval in advance and for a predetermined purpose. Overtime should be offered to address a pressing condition rather than to become a regular routine used to work on tasks not accomplished during the normal work day.

Further, **WE RECOMMEND** that DPW reevaluate the way they fill future position vacancies that may occur through attrition. Specifically, consider eliminating certain titles in favor of replacement by other titles where the employees could more effectively perform the necessary work without having to resort to utilizing Rate 2 pay for those working out of title.

3. The Relationship Between Overtime and Seniority

For our scope period, we looked at the highway district employees who earned more than \$10,000 annually for these two years. There were 89 such employees. The more senior employees appear to be receiving more overtime than less senior employees (see Exhibit F). On the average, the employees who were hired in the 1970's received 300 more hours of overtime during this two-year period than the other employees hired in the 1980's, 1990's or the 2000's. Whether this is intentional (by design) or circumstantial (incidental), we could not determine.

Exhibit F



In accordance with the Collective Bargaining Agreement (CBA), overtime should be equally distributed to employees working within the same job classifications. Based on the data obtained from SAP, it appears that this provision of the contract may not have been consistently applied. However, DPW has stated that overtime worked always follows the provisions of the CBA.

WE RECOMMEND that management of DPW continue to ensure that overtime is offered to all employees on an equal basis as required by Article XVI of the Collective Bargaining Agreement.

AUDITOR COMMENTS

Because the SAP payroll system is not driven by work tasks, it is difficult to determine going back in time exactly what work was done on overtime. There are no transaction codes or wage types that can account for all major work tasks performed by the highway district employees,

especially for winter related work other than the normal road plowing. The sole exception may be Plow 2 or Plow 3 codes which apply to OPP (one person plow) drivers.³ There are other snow and ice control tasks that are not considered OPP such as benching, salting and shelving. However, whether plowing using OPP codes or performing non-OPP tasks, time is spent behind the wheel of a vehicle. Accordingly, we analyzed some of the overtime hours at the various highway districts. Of the top 50 overtime earners in DPW's highway districts, 39 were employees who used Plow 2 or Plow 3 overtime. The use of these transaction codes indicates that the employee was given overtime for plowing. Of these 39 plow drivers, only three earned less than \$40,000 in overtime for the two years of our review with overtime earnings ranging from \$102,336 to \$34,910. Similarly, the overtime hours for this period for these 39 drivers ranged from 2,704 hours to 1,008 hours.

The New York State Department of Transportation ("NYSDOT") has guidelines for drivers in a weekly duty period and has set a maximum limit for on-duty hours. These limitations are 60 hours in seven days or 70 hours in eight days. While we readily acknowledge that the NYSDOT guidelines do not apply to DPW drivers, we believe that driving plows in excess of these hour limitations is done at risk to the safety of both the driver and other drivers on the road and can be a risk to increased personal property damage. It has been a long standing practice of DPW to limit continuous hours of work to twelve. However, in an emergency situation or if a critical condition exists, this limit can be pushed to 16. It is the responsibility of the General Crew Chief or shift supervisor to assess the ability of the plow driver to continue past twelve hours for safety purposes. This "16 Hour Work Rule" is also noted in the MOU mentioned in footnote 2.

WE RECOMMEND that DPW management continue to effectively monitor the hours worked by their plow drivers as necessary to ensure their safety and well being. In so doing, this would maximize employee and public safety and provide assurance that any personal property damage would be kept to a minimum.

ERIE COUNTY COMPTROLLER'S OFFICE

CC: Hon. Christopher Collins, County Executive
Hon. Erie County Legislature
Gerard Sentz, Commissioner, Department of Public Works
Gregory Gach, Director of Budget and Management

³ Per a Memorandum of Understanding effective January 1, 2011, all plow routes in Erie County will be considered OPP routes.