

**JOINT
PERSONNEL AND COMPENSATION
AND WAYS AND MEANS COMMITTEES
MINUTES**

**(REMOTELY)
MAY 18, 2020
3:30 P.M.**

PRESENT: John S. Vero, Chairman (Personnel and Compensation)
Leigh J. Benton, Thomas Faggione, Joel Sierra,
Kevindaryan Lujan, Paul Ruszkiewicz, Kathy A. Stegenga, Laurie Tautel

PRESENT: Leigh J. Benton (Ways and Means)
Mike Anagnostakis, Katie Bonelli, Kevin W. Hines,
James Kulisek, Joseph Minuta, Michael D. Paduch, Janet Sutherland

ALSO

PRESENT: L. Stephen Brescia, Chairman
Antoinette Reed, Legislative Counsel
Michael Amo, Legislator
Barry Cheney, Legislator
James O'Donnell, Legislator
Laurie Tautel, Legislator
Harold Porr, Deputy County Executive
Daniel Bloomer, Director of Operations
Sharon Worthy-Spiegl, Deputy Orange County Attorney
Matthew Nothnagle, Chief Asst. County Attorney
Steven M. Gross, Commissioner, Human Resources
Karin Hablow, Commissioner of Finance
Kerry Gallagher, Deputy Commissioner of Finance
Deborah Slesinski, Budget Director
Deanna Crawford, Budget Analyst
Gretchen Riordan, Budget Analyst

Chairmen Vero and Benton called the meeting to order at 3:35 p.m. and asked everyone to stand for the Pledge of Allegiance to the Flag. All members of Personnel and Compensation and Ways and Means Committees were present.

Ms. Stegenga moved the request to create a voluntary separation agreement for Orange County employees, seconded by Mr. Lujan. (Personnel and Compensation)

Mr. Paduch moved the request to create a voluntary separation agreement for Orange County employees, seconded by Ms. Bonelli. (Ways and Means)

Mr. Gross addressed the committees stating that in response to COVID-19 and the financial implications, they have two proposals which they feel would achieve some savings for the taxpayers and all county employees. There were four voluntary separation incentives in

the past, one in 2014 and there were 126 employees who took advantage of the program, in 2015 there were 65 employees, in 2016 there were 66 and the most recent was in 2017 where there were 83 employees who took the incentive. They would like to offer employees that have 10 up to 20 years of service a \$10,000.00 incentive payment, for employees who have 20 up to 30 years of service would be offered \$12,500.00 and employees with 30 plus years would be offered a \$15,000.00 incentive. They would like to offer this to employees who have been with the county for a long time, thank them for their service and get them off the payroll to save taxpayer dollars. Anyone who is interested needs to apply by June 12th. They need to be off the payroll by June 30th which is the exact 50% mark of the calendar year. They ran some charts and there are 92 county employees that are 55 years of age with 30 years of service which is full max for tier 4 members. There are 1,200 county employees who have 10 plus years of service, roughly half the workforce.

Mr. Vero asked if they would hit a point where it is too much and too many take the incentive.

Mr. Gross stated that they will need to take a look at it as the applications come in and department heads will need to justify whether or not they can continue their mission.

Mr. Benton asked if there was a dollar figure they were aiming for.

Mr. Gross stated that they are in an unprecedented time with what they are dealing with right now. He heard fluctuating numbers from the Budget Department and from New York Association of Counties that range anywhere from \$50 to \$70 million deficit for the 2020 budget. The goal is to hit as much as they can.

Mr. Anagnostakis thanked Mr. Gross and the County Executive on their work regarding the two proposals. He reviewed the figures before him and saw a \$35k plus savings but that was assuming they would not hire anyone back because then the cost of the insurance on a hire back even at a low salary would defeat the potential savings. He was under the impression that as they move forward with this it is with the intent not to hire back people for the rest of the year.

Mr. Gross confirmed that Mr. Anagnostakis was correct and noted that was written in the agreement. He thanked all the unions who cooperated with them to get this done.

Mr. Lujan stated that Ulster County offered something similar plan and asked Mr. Gross if he was aware of any success Ulster had or is there something they can do different.

Mr. Gross explained that Ulster County had a different plan in place. Orange County has done four successful previous incentives and he had many surrounding counties reach out to him when word got out about this incentive.

Mr. Paduch stated that Mr. Gross has always done a great job and he has been involved with all the previous incentives. In reviewing the numbers, it is the 30 years plus employees who take advantage of the incentive would be where the county would save the most. He asked about the next agenda item which is the temporary layoff. He asked if the potential people who want to take the incentive, can they take the temporary layoff now and then pick up with the incentive.

Mr. Gross stated that the employee needs to be off the payroll by June 30th. The timeline does not line up for anyone to take both.

Ms. Stegenga asked if they took into consideration the employees with 20 to 30 years of service who take the incentive, could the other staff be put into those positions or were they going to put a freeze on positions completely until next year.

Mr. Gross explained that as the applications come in, they need to sit down with the department heads and determine all of that. If they hire within a department from a lower level position, that lower position could become vacated.

Mr. Kulisek asked Mr. Gross if what he had was the entire agreement which Mr. Gross confirmed it was.

Mr. Paduch asked if there was an overwhelming response to the incentive program, is it possible to use per diem workers so they would not have to pay health insurance.

Mr. Gross stated that it depends on the position they are talking about. A lot of it is presently up in the air until they get the applications in. Mr. Gross added that they plan to put out fact sheets to all county employees so they have enough time to consider this because the deadline is approaching quickly.

Motion carried. All in favor. (Personnel and Compensation)

Motion carried. All in favor. (Ways and Means)

Ms. Stegenga moved the request to create a voluntary temporary layoff program for Orange County employees, seconded by Mr. Lujan. (Personnel and Compensation)

Mr. Paduch moved the request to create a voluntary temporary layoff program for Orange County employees, seconded by Ms. Bonelli. (Ways and Means)

Mr. Gross explained that they looked into different programs that they can put in place to save taxpayer dollars and one of those programs that they have done a lot of research on is a Volunteer Furlough Program/Temporary Voluntary Layoff Program in response to COVID-19. The program is designed to allow employees to come off the payroll for one or two months. There is a pandemic unemployment compensation which is part of the Coronavirus Aid, Relief and Economic Security Act (CARES Act) which would offer an additional \$600.00 per week to those who are eligible for that benefit. The regular unemployment benefits are up to \$504.00 per week. According to the New York Department of Labor, an employee that earns approximately \$55,000 or less would be whole through this program. He noted that there was information available for people to call or review the information on the website. There are 640 employees in Orange County that do meet that. It is up to the department, based on their needs and staffing. The employee will come back after their temporary layoff with no change in their assignment, shift, seniority, department or anything related to their employment. Employees can come back early from their temporary layoff with a seven day notice. They excluded a few departments that are connected to COVID-19 response. The departments that have been eliminated from participating in this program is Valley View, Health Department, Emergency Services and Probation. If an employee wants to be out starting in June, applications are due by May 27th and department heads will respond to the employee by May 29th. If an employee is interested in participating in the program for the month of

July, their application is due back June 15th and will receive a response from the department head by June 19th. An employee needs to pay towards their current premium contribution and that is the same for other insurance for example Aflac. The New York State Retirement System will not credit an employees time for retirement when they are on a furlough. There will not be any leave accruals nor will employees lose time.

Mr. Lujan pointed out that there is a big delay in people receiving unemployment. He was concerned how an employee will be able to survive with one to two months of no income while they wait for unemployment. He added that he thought it was a great program.

Mr. Gross was aware of the delay in unemployment. They spoke with the State Department of Labor and they assured them that the online system is running smoothly as long as everything is entered correctly.

Mr. Anagnostakis asked if they could make these programs mandatory instead of voluntary considering the circumstances. If they try to get all 640 employees to participate and maybe on a scaling 200 or so every few months. If they can get them all to participate over the second half of the year, it could be a savings of close to \$6 million. He was concerned they would not get many participants since it is voluntary and since there is a lag in people receiving unemployment.

Mr. Gross stated they were taking voluntary action, not involuntary action. Their goal is to reduce the workforce through attrition between both programs. They feel this is a good first effort to see how they do. They can always revise it or do away with it.

Mr. Anagnostakis was hopeful the programs will be successful, although he has his doubt considering it is voluntary. He was not suggesting anything negative towards the employees, he suggested that maybe they can mandate employees step aside for a two-month period during these desperate times and get equally compensated from the federal government and New York State, but they can try voluntary and he hoped it will be successful.

Mr. Hines wanted to confirm that if an employee can voluntarily separate from their job, although it is available to them, they can apply for and receive unemployment. Although other counties may have done this program before, does not mean it was necessarily legal. He asked for a legal opinion.

Mr. Gross stated that Ms. Worthy-Spiegl has been very helpful and signed the agreement with him. They did check with the New York State Department of Labor and their issue is if the county does not contest it, they do not see an issue. They are trying to avoid layoffs that would cause a lot of unemployment issues. He added that there are many programs out there now, a Shared Work Program that is sponsored through the Department of Labor to avoid layoffs.

Mr. Hines was concerned the federal government would say it was fraud and then there would be grievances filed through the unions especially those departments that cannot participate.

Mr. Gross advised Mr. Hines that the unions signed off on the document and it was the unions idea to eliminate those departments.

Mr. Hines stated that he was aware that the Commissioner of Health needs 133 contact tracers in order for us to re-open and some employees who are not working in their normal

department are working at Emergency Services. If they lay off employees are they able to hire contact tracers and how can we furlough people and then hire people.

Mr. Gross mentioned that the contact tracers will be handled through New York State. They have the ability to move employees around which they have been doing since the pandemic started and it has been successful.

Mr. Hines stated his concern was that in order to re-open they need 133 contact tracers.

Mr. Gross spoke directly to the Health Department and was told it was not an issue for Orange County.

Mr. Hines stated that was not an issue for Orange County because we are not open yet but as of right now it was a concern for him. He wants to make sure it is all legal because to tell the federal government that they need to pay our employees to stay home when the county is ready, willing and able to pay them and we need them.

Mr. Reed stated that the purpose of the \$600.00 coming from the New York State unemployment is for this very purpose. We need to keep the employee, just like small and large businesses do, but you do not have the money to pay them. The purpose of this program is to give businesses and government some breathing room so when they get their finances back in order, they can rehire these people. It is a temporary fix that we will try for two months so that they do not have to mandate layoffs, but they might have to.

Ms. Tautel asked how this would impact the unemployment insurance and unemployment rates.

Mr. Gross did not think it was a major issue because they pay into unemployment insurance regardless.

Ms. Tautel asked if Mr. Gross could get those figures which he agreed to.

Mr. Vero stated that he received calls from county employees who were in favor of the proposed programs. These employees have young children and not knowing the status of summer camps, there becomes a daycare issue. Those employees can take advantage of the program for two months and that would eliminate some of the problems.

Mr. Gross stated that some of that was put towards their thought process to allow that flexibility to the employees.

Ms. Stegenga stated that right now there is a six to eight-week lag on people getting their unemployment. Although the governor says you will be paid from the start of your unemployment, there is no way to get a hold of them, they hang up on you or they disconnect the call. She received many calls from constituents, businesses, who contacted her about that. If an employee cannot get a decision for three or four weeks and then decide they want to come back, would the county need to make up the difference for the three or four weeks.

Mr. Gross stated that he has been told that you apply online and if you put in all the information in correctly it is a smooth process. They are taking everything piece by piece.

Ms. Stegenga mentioned that if you speak to Senator Skoufis' office or any members of the assembly or senate, they are getting an influx of phone calls regarding problems with unemployment.

Mr. Gross stated that they all rely on other agencies and all the information they receive they send up to the state and hopefully grease the wheels a little bit that way.

Mr. Minuta commented on Mr. Hines' statement. He did not want to shorten our staff by going to furlough when they can be a contact tracer.

Mr. Gross stated that he did speak with the Health Department and it was not an issue, however if they would like to address it at the next Health and Mental Health Committee meeting.

Mr. Sierra asked if the savings of \$4 million factors in the funded but unfilled positions that are in the budget.

Mr. Gross responded that this did not have anything to do with vacant positions, this is actual people in positions who would take one or two month voluntary leave.

Mr. Sierra asked if there is a dollar figure on the funded but unfilled positions and what the savings will be.

Mr. Gross was unclear as to how the question was relevant to the incentive programs.

Mr. Sierra understood his question did not have anything to do with the incentive programs but he asked what the savings would be and if that has been factored in. In this years budget there were several hundred positions that were funded but not filled. Majority Leader Paduch mentioned it many times in the past. He asked if those positions have been eliminated and does someone have a dollar figure on the savings for those funded, unfilled positions.

Ms. Slesinski stated that they keep track of the vacant positions and they track the savings each year. She reminded him that most departments that had vacant positions, a vacancy factor was already established in the operating budget for those vacancies.

Mr. Sierra asked if the vacancy factor changed and was the vacancy factor already considered as far as savings for where they are today with the budget.

Ms. Slesinski responded that they are factoring in the savings but it has nothing to do with these incentive programs, this is above and beyond that savings.

Mr. Sierra asked for the dollar amount on the vacancy savings they have on those positions.

Mr. Benton stated that the time to do that is in October during the 2021 budget review.

Mr. Sierra did not understand why they would wait until October if they are discussing furloughing people now and there are hundreds of positions in the budget that are not filled.

Mr. Benton stated that it is the prerogative of the County Executive to fill those positions anytime he wants to.

Ms. Slesinski advised Mr. Sierra she could get him updated figures.

Mr. Sierra thanked Ms. Slesinski. He added that they were talking about voluntarily laying off people and if these programs do not work they might have to lay people off. If there are hundreds of positions that are in the budget that are currently funded and not filled, that can be a big savings.

Mr. Paduch pointed out that it was \$15 million originally and the County Executive can fill any of the positions at anytime.

Mr. Sierra stressed that this was discussed last year and confirmed that there is \$15 million in the budget now.

Ms. Slesinski responded that the \$15 million was a gross number. The vacancy factor needs to be taken off.

Mr. Sierra requested the projected savings on the funded but unfilled positions in the 2020 budget and Ms. Slesinski responded that she will get it for him.

Mr. Anagnostakis added that the funded but unfilled positions within the budget has a vacancy factor against it which needs to be deducted. If it is \$15 million and for example the vacancy factor is \$5 million, the end result being \$10 million funded unfilled positions. Assuming the County Executive does not fill those positions, that means there would be an additional \$10 million of savings at the end of the year that was in the budget that they did not use which can help cover the budget deficit they are going to encounter.

Mr. Vero stated that they were trying their best to do what they can to help the County Executive with this year's budget and the 2021 budget because we will be in the same position.

Mr. Sierra commented on businesses in his district and many have laid off staff and have SBA Loans are now having issues getting their staff back. Businesses that received the SBA Loans cannot get staff back because they are making more money on unemployment than actually working. He asked if the county has a reopening plan in order to get employees back after giving them the summer off.

Mr. Gross explained that the agreement with the CSEA is for a defined period. The agreement ends July 31st and cannot go beyond that. The individuals who take the temporary lay off do not get retirement service credit, which is an issue. They consider this an 8 week temporary trial program.

Ms. Reed commented that presently under the federal legislation, the extra \$600.00 is only available through July 31st.

Motion carried. All in favor. (Personnel and Compensation)

Motion carried. All in favor. (Ways and Means)

On the motion of Mr. Lujan, seconded by Ms. Tautel, (Personnel and Compensation) and on the motion of Mr. Anagnostakis, seconded by Mr. Paduch, (Ways and Means), the committees adjourned at 4:45 p.m.