

TOWN HIGHWAY OPERATIONS

PRESENTED BY:

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NYS COMPTROLLER
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WHO'S REALLY IN CHARGE?

Town Board or the Highway Superintendent?

- ❑ Overlapping control and responsibilities
- ❑ Must work together for the taxpayer



SOME AREAS OF OVERLAP

	Town Board	Highway Supt.
Highway workers	Provides budgetary appropriations, sets wages and salaries and approves bargaining contracts	Hires, supervises, set schedules, fires and disciplines
Highway equipment	Approves purchase* and sale or disposal. Also must approve use outside town roads (i.e., village, school, shared services)	Controls use on town highways
Work on Town Roads	Town Board and Highway Supt. must sign "Agreement to Spend Highway Monies (284 agreement)"	
Highway Capital Reserve Funds (GML §6-c)	Town Board Approves creation and expenditure upon recommendation of Highway Supt.	

Town Board can allow Highway Supt. to purchase equipment without prior approval up to a set amount (HL §142(1))

RESPONSIBILITIES OF THE TOWN BOARD

- Outlined in Town Law §64
 - Control of Town Finances
 - Management and control of town property
 - Acquisition and sale of town property
 - Award and execution of town contracts



RESPONSIBILITIES OF THE HIGHWAY SUPERINTENDENT

- Outlined in Highway Law (§§140, 141 & 142)
 - Care and superintendence of highways & bridges
 - Employs and manages highway workers
 - Budget estimates and monitoring
 - Responsible for inventories and reports
 - Enter into written agreements
- Additional authority can be granted by resolution of Town Board



ADDITIONAL DUTIES

- Town Board may require Supt. to perform additional duties (TL §32)
 - Must be consistent with Law
 - Must be within the general scope of his duties
 - Must not interfere with his normal duties
 - Board must provide sufficient funding
 - Appropriate fund must be charged



SUPERINTENDENT'S SALARY & TERM

- ❑ Salary set by Town Board
 - For elected - can not be higher than amount specified in notice of public hearing on the preliminary budget.
 - Salary is a charge against the General Fund
- ❑ Can be increased by Local Law subject to permissive referendum
- ❑ Can be decreased by Local Law subject to mandatory referendum
- ❑ Generally elected with a two year term
 - Can be made appointed by Local Law and/or changed to four year term – both require Board resolution and mandatory referendum



EMPLOYING HIGHWAY LABORERS

- ❑ Town Board funds all positions through budget process
- ❑ County Civil Service Commission titles and classifies all positions
- ❑ Highway Superintendent hires, manages, disciplines, suspends and fires all laborers
 - Mechanical Equip Operator (MEO)
 - Equipment Operator
 - Motor Equipment Operator



OTHER HIGHWAY PERSONNEL

- ❑ **Engineer** (with approval of the Town Board – HL §140[19])
- ❑ **Service of County Prisoners** (with consent of Town Board - HL §155)
- ❑ **Highway Clerk** (hired and managed by Town Board)



DEPUTY HIGHWAY SUPERINTENDENT

- ❑ Created by Town Board resolution (TL §32)
 - Wages charged to General Fund (A5110.1) unless a working foreman is appointed - then charged to Highway Fund
- ❑ Appointed by the Highway Superintendent
 - Town Board may appoint if vacant for at least 5 days
 - Serves at the pleasure of the Highway Superintendent even when appointed by the Town Board
 - Works during absence of Superintendent or if unable to act
- ❑ Vested with all the powers and duties of the Supt.
- ❑ Must file an oath of office and undertaking



HIGHWAY VOUCHERS

- ❑ Should be coded and approved by the Highway Supt. prior to submission to the Town Board (or Comptroller) for audit and approval for payment
 - Coding must be correctly linked to the service provided
- ❑ Vouchers must be supported by receipts and show evidence of receipt of goods or services being billed (signature of person who received it)
 - Receipts should be itemized and clearly describe the goods or service provided



SUPERINTENDENT'S RECORDS

- ❑ Highway departments often provide services to many different tax bases.
 - ❑ Records must be kept to ensure compliance with state laws & taxpayer equity issues
 - ❑ Important records:
 - ❑ Annual Budget
 - ❑ Time records
 - ❑ 284 Agreement
- Must be coordinated to ensure compliance and necessary funding



HIGHWAY BUDGET

- Superintendent must submit estimate of revenues and expenditures on or before September 20
 - When applicable must include expenditure and revenue estimates for work performed for other funds (General, Special Districts, etc.)
 - Recommendations for use of reserve funds and appropriation of surplus fund balance
 - Must include employee benefits and debt service



HIGHWAY BUDGET

- Highway Fund Appropriations (HL §141)
 1. Repair and Improvement of highways
 2. Repair and construction of bridges
 3. Purchase and repair of machinery and equipment
 4. Removal of snow and other miscellaneous purposes
- Highway Fund Revenues
 - CHIPS money
 - State and Federal Aid
 - Sales Tax
 - Sale of Equipment
 - Services for other governments
 - Interest Earnings



HIGHWAY BUDGET

□ Non-Highway related work

- Highway Supt. expenditures
- Highway barn expenditures
- Sidewalks
- Storm sewer work
- Signs
- Cemetery maintenance
- Park maintenance
- Water & sewer line work
- Drainage work

General Fund
Charges

Special
District
Charges



TOWNS WITH VILLAGES

- ❑ Town-Wide Highway Fund (DA) - includes all Town Properties (including those in Villages)
- ❑ Part-Town Highway Fund (DB) - only Town properties outside incorporated Village(s)
- ❑ General Expenditure Rule: all budgeted Town-Wide (DA) unless a law mandates or allows otherwise
 - HL §277 mandates road repairs and improvements (5110 & 5112) to be Part-Town (DB)
 - HL §277 also allows machinery, snow removal and misc. (5130, 5140, 5142) to be Part-Town (DB)
 - Bridges spanning more than 5 ft. in width must always be Town-Wide (DA)



TOWNS WITH VILLAGES

- ❑ General Revenue Rule: revenues follow expenditures
- ❑ CHIPS revenue budgeted Part-Town (DB)
- ❑ Sales tax revenues budgeted Part-Town (DB) unless tax levy in Part-Town General (B) and Part-Town Highway (DB) funds is zero
 - For towns whose villages receive their sales tax distribution from the county in cash



MONITORING THE BUDGET

- ❑ Should receive *Budget to Actual* reports
 - Monthly or minimally on a quarterly basis
 - Requires accurate up to date accounting records
- ❑ Budget amendments must be made prior to exceeding a budgeted amount (TL §117)
 - Transfer from another underspent item in same fund
 - Transfer from General Fund (with same tax base)
 - Appropriate additional **AVAILABLE** fund balance
 - Gifts, grants, insurance recoveries



Highway Fund

Budget to Actual Comparison Report

October 31, 2017

<i>Account Code</i>	<i>Description</i>	<i>Original Budget</i>	<i>Budget as Modified</i>	<i>Actual Expenditures</i>	<i>Unencumbered Balance</i>
DA5110.1	Road Repairs , Personal Services	225,000	232,400	231,165	1,235
DA5110.2	Road Repairs , Equipment	0	0	0	0
DA5110.4	Road Repairs , Contractual	168,000	160,600	151,344	9,256
DA5110.0	Total Road Repairs	\$393,000	\$393,000	\$382,509	\$10,491
DA5112.1	Road Improvements , Personal Services	180,000	183,400	182,122	1,278
DA5112.2	Road Improvements, Equipment	0	0	0	0
DA5112.4	Road Improvements , Contractual	141,000	137,600	129,879	7,721
DA5112.0	Total Road Improvements	\$321,000	\$321,000	\$312,001	\$8,999
DA5120.1	Bridges, Personal Services	1,000	1,000	674	326
DA5120.2	Bridges, Equipment	0	0	0	0
DA5120.4	Bridges , Contractual	600	600	322	278
DA5120.0	Total Bridges	\$1,600	\$1,600	\$996	\$604

TIME & ATTENDANCE RECORDS

- ❑ Must reflect more than just number of hours worked
- ❑ Location and nature of work performed determines the fund / tax base to charge
- ❑ Time cards must be approved by Highway Superintendent
 - Superintendent should submit summarized, coded timesheet for payroll processing



Common Time Record Used

Employee: John Jones								
	Mon	Tue	Wed	Thur	Fri	Sat	Sun	Total
Week Ended: 9/5/17	8	8	8	8	8	3		43
Week Ended: 9/12/17								
Total For Pay Period								
Week Ended: 9/19/17								
Week Ended: 9/26/17								
Total For Pay Period								

Week Ended 9/5/17	Charge To: Brush & Weeds(DA5140.1)							
	Mon	Tue	Wed	Thur	Fri	Sat	Sun	Total
John Jones	8	8	8	8	8	3		43
Harry Smith	8	8	8	8	8			40
Josh Parker	8	8	8	8	8			40
William Baker	8	8	8	8	8	3		43

A BETTER METHOD

Employee Name: John Jones

Pay Period Ended: 9/5/17

Description	Account	Mon	Tues	Wed	Thur	Fri	Sat	Sun	Total
Road Maintenance	DB5110.1		4			3			7
Road Improvement	DB5112.1	5		3	8	3			19
Bridge Maintenance	DA5120.1								
Machinery/Equipment	DA5130.1	2				2			4
Brush, Weeds, Misc.	DA5140.1								
Snow Removal	DA5142.1								
Snow Removal – Other Governments	DA5148.1								
Highway Barn	A5132.1			2					2
Park Maintenance	A7110.1		2.5						2.5
Cemetery Maintenance	A8810.1	1							1
Water Line Repairs	SW8340.1		1.5	3			3		7.5
Totals		8	8	8	8	8	3	0	43

Name: John Jones

Pay Period: 9/5/17

Rate: \$15.00

Account Code	Regular Hours	OT Hours	Allocated Amount
DB5110	7		\$105.00
DB5112	19		\$285.00
DA5120			
DA5130	4		\$60.00
DA5140			
DA5142			
DA5148			
A5132	2		\$30.00
A7110	2.5		\$37.50
A8810	1		\$15.00
SW8340	4.5	3	\$135.00
Total	40	3	\$667.50

Agreement to Spend Highway Moneys

284 Agreement (HL §284)

- ❑ Written agreement stating places and manner in which appropriations for highway repairs (5110.0) and improvements (5112.0) will be spent
- ❑ Must be signed by Highway Superintendent and majority of Town Board
- ❑ Sum of amounts in agreement may not exceed the total appropriated for repairs and improvements in the budget
- ❑ Superintendent must expend moneys provided for repairs and improvements in accordance with agreement
- ❑ May be modified during the year in same manner as originally executed



Other Necessary Records

- ❑ Procurement records
 - Bids or quotes received
 - Contracts
- ❑ Inventory Records
 - Tools and equipment
 - Fuel
- ❑ Record of receipts and disbursements
 - When applicable, must be submitted monthly and annually



PURCHASING

Consult Town Attorney or OSC Legal Division for purchasing questions

- ❑ Competitive Bidding (GML §103)
 - Lowest bid or “best value”
 - \$20,000 purchase contracts
 - \$35,000 public works contracts
- ❑ Town procurement policy (GML §104-b)
- ❑ Board approval required for purchase of highway equipment, tools & other implements (HL §142 [1-a])
 - Board can authorize Superintendent to purchase without approval in an amount fixed by the Board



Inventory Records

- ❑ Town Board should establish capital asset policies
 - Threshold amounts for inclusion
 - Periodically conduct physical inventories
- ❑ Asset record should be compared to insurance records
- ❑ Written inventory of machinery, tools & implements submitted by September 30 each year (HL §142 (3))
 - Must state value and estimated costs of repairs
 - Recommendations for items to be purchased and estimated cost



FUEL RECORDS

- Town Board may require the Highway Superintendent to keep detailed fuel usage records
 - Usage records should be maintained, monitored and periodically reconciled with fuel purchase and inventory records.
 - Access to fuel tanks should be controlled (locks, key cards, etc.)



Reconciliation of Fuel Inventory Records

Ending Level @ 11/31/17		250 gallons
Add: Delivery 12/5/17	720 gallons	
Delivery 12/17/17	565 gallons	
Total Fuel Available for use		1,535 gallons
Less: Recorded fuel use		1,275 gallons
Expected Level @ 12/31/17		260 gallons
Actual Level @ 12/31/17		
Actual Level @ 12/31/17		240 gallons
Difference		(20 gallons)

Reporting Requirements

- ❑ Budget estimate forms (TL §104 - returned to Budget Officer by September 20th)
- ❑ Inventory of machinery, tools and implements (HL §142[3])
- ❑ Monthly report to Supervisor of all receipts and disbursements (along with remittance of amount reported – TL §27[1])
- ❑ Annual Report to Supervisor of all receipts and disbursements by Jan 20th (TL §123)
- ❑ List of unpaid obligations to Supervisor
- ❑ Other (DOT, County, Town Clerk)



Questions?

Division of Local Government and School Accountability

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