

## THE TOWN HIGHWAY DEPTMENT

Sponsored By:  
NYS Tug Hill Commission

PRESENTED BY:

Laird Petrie

lpetrieconsulting@gmail.com

---

---

---

---

---

---

---

### WHO IS IN CHARGE?

- Duties and Responsibilities of the Town Board
  - Town Law §64
  - Town Law §32
- Duties and Responsibilities of the Highway Superintendent
  - Highway Law § §140, Town Law §32[1]

---

---

---

---

---

---

---

Duties	Highway Supt.	Town Board	Law
Annual Budget Development	X	X	TL §104, HL §141
Annual Budget Adoption		X	TL §108
Agreement to Spend Highway Funds	X	X	HL §284
Hiring and Firing Employees*	X		HL §140(4)
Superintendence of the repair and maintenance of town highways and bridges (including snow removal).	X		HL §140
Purchasing of highway equipment and materials**	X	X	HL §142

\* Within the limits of appropriations approved by the Town Board and as long as the 284 Agreement as been entered into with the Town Board.

\*\* If no Director of Purchasing has been appointed.

---

---

---

---

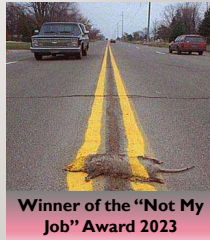
---

---

---

### ADDITIONAL DUTIES

- Town Board may require Supt. to perform additional duties (TL §32[1])
  - Should be consistent with Law
  - Should be within the general scope of his duties
  - Should not interfere with his normal duties
  - Board should provide sufficient funding
  - See OSC Comptroller's Opinions (79-904, 80-251; 82-238; 82-294; 91-45)




---

---

---

---

---

---

---

---

### SALARY AND TERM

- ☐ Salary of Elected Supt. – set by Town Board and fixed to amount published in notice of budget hearing
  - Can be increased during term by Local Law subject to permissive referendum (TL §27, Municipal Home Rule law §24 [2-h]) and decreased by Local Law subject to mandatory referendum (TL §27, Municipal Home Rule law §23 [2-e])
- ☐ Generally elected with a two year term
  - Can be made appointed by Local Law (mandatory referendum – Municipal Home Rule §10, §23[2-e])
  - Can be changed to four year term by resolution and mandatory referendum (TL§24-a, Municipal Home Rule law §23 [2-e]), )

---

---

---

---

---

---

---

---

### EMPLOYING HIGHWAY LABORERS

- County Civil Service Commission titles and classifies highway department 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)
- **Secretary/ Bookkeeping** (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
  - Town Board resolution to create the position can allow for the Deputy to receive overtime
- Appointed by the Highway Supt.
  - Town Board may appoint if vacant for at least 5 days
  - Serves at the pleasure of the Highway Supt. even when appointed by the Town Board (Comptroller Opinion 2000-11)
- Works during absence of Supt., or if unable to act
- Vested with all the powers and duties of the Supt.
- Must file an oath of office and undertaking

---

---

---

---

---

---

---

**284 AGREEMENT**

- Most important transaction a town Highway Supt. will enter into each year.
- Limits the power of a town highway superintendent to act and expend highway fund monies.
- Establishes the plan for the repair and improvement of highways and bridges during the year.
- Must be agreed upon by the town Superintendent of Highways and Town Board.
  - No expenditures for repair and improvement of town roads can be made without this agreement in place.

---

---

---

---

---

---

---

### BUDGETING

- Estimate of revenues and expenditures submitted on or before September 20
- May include expenditure and revenue estimates for work performed for other funds (General, Special Districts, etc.)
  - Highway fund must charge other funds for work performed by Highway crew
- Recommendations for use of reserve funds and appropriation of surplus fund balance
- Must include employee benefits and debt service

---

---

---

---

---

---

---

### HIGHWAY FUNDS AND ACCOUNTS

- Prescribed by the Office of the State Comptroller (OSC)
- Highway Funds (known as special revenue funds)
  - DA - Highway Town-Wide – Used by towns that do not contain a village.
  - DB - Highway Part-Town – Generally used by towns that contain one or more villages.
- Highway Revenue and Expenditure Accounts
  - Listed in OSC's Accounting and Reporting Manual

---

---

---

---

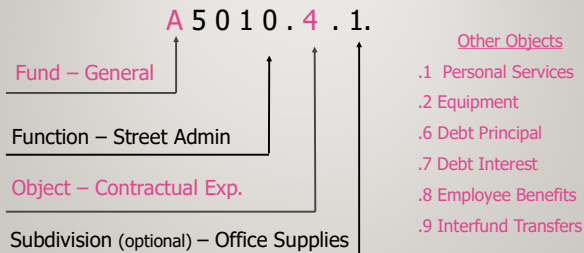
---

---

---

### Uniform System of Accounts

Refer to OSC Accounting & Reporting Manual (ARM)




---

---

---

---

---

---

---

## HIGHWAY ACCOUNTS

DA 5 1 1 0.4.1.

Fund – Highway

Function – Road Maintenance

Object – Contractual Exp.

Subdivision (optional) – Fuel

Other Functions

5112 – Road Improvements

5120 - Bridges

5130 – Machinery

5140 – Brush & Misc.

5142 – Snow Removal

### Highway Fund Estimate of Expenditures

Account	Description	Actual 2021	Modified Budget 2022	Dept. Request 2023
DA5110.1	Maintenance of Roads, Personal Services	216,899	220,000	225,000
DA5110.2	Maintenance of Roads, Equipment	0	0	0
DA5110.4	Maintenance of Roads, Contractual	163,788	165,000	168,000
<b>DA5110.0</b>	<b>Total Maintenance of Roads</b>	<b>\$380,687</b>	<b>\$385,000</b>	<b>\$393,000</b>
DA5112.1	Road Improvements, Personal Services	174,555	178,000	180,000
DA5112.2	Road Improvements, Equipment	0	0	0
DA5112.4	Road Improvements, Contractual	127,654	135,000	141,000
<b>DA5112.0</b>	<b>Total Road Improvement</b>	<b>\$302,209</b>	<b>\$313,000</b>	<b>\$321,000</b>
DA5120.1	Bridges, Personal Services	780	1,000	1,000
DA5120.2	Bridges, Equipment	0	0	0
DA5120.4	Bridges, Contractual	560	600	600
<b>DA5120.0</b>	<b>Total Bridges</b>	<b>\$1,340</b>	<b>\$1,600</b>	<b>\$1,600</b>

### Highway Fund Estimate of Revenues

Account	Description	Actual 2021	Modified Budget 2022	Dept. Estimate 2023
DA1120	Non-Property Tax Distribution by County	35,789	33,000	34,000
DA2300	Transportation Services, Other Governments	6,755	5,500	3,500
DA2302	Snow Removal Services, Other Governments	121,765	122,000	124,500
DA2401	Interest & Earnings	1,456	1,200	1,000
DA2416	Rental of Equipment, Other Governments	3,757	3,200	3,500
DA2650	Sale of Scrap & Excess Materials	658	500	500
DA2680	Insurance Recoveries	0	0	0
DA3501	State Aid, Consolidated Highway Aid	148,677	142,000	144,300
DA3589	State Aid, Other Transportation	3,789	2,500	0
DA4589	Federal Aid, Other	0	0	0
DA4989	Federal Aid, Emergency Disaster Assistance	21,566	18,500	12,570
	<b>Total Estimated Revenues</b>	<b>\$344,212</b>	<b>\$328,900</b>	<b>\$323,870</b>
DA511	Appropriated Reserves (Equipment Reserve)	\$0	\$0	\$60,000
DA599	Appropriated Fund Balance	\$37,000	\$37,000	\$23,000
	<b>Total Revenues and Other Sources</b>	<b>\$381,212</b>	<b>\$365,900</b>	<b>\$406,870</b>

**STRUCTURALLY BALANCED BUDGET**

- Finance reoccurring expenditures with reoccurring revenues,
- Retain sufficient levels of fund balance
  - Board adopted fund balance policy,
- Avoid reliance on one-shot revenues,
  - Records management grants, sales of properties, FEMA money
  - Federal ARP and CRRSA acts revenues
  - Surplus fund balances
- Reserves in place.

---

---

---

---

---

---

---

**HIGHWAY BUDGETING**

- 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

---

---

---

---

---

---

---

**NON-HIGHWAY FUNCTIONS**

- General Fund Appropriations
  - Highway Superintendent
  - Highway garage
  - Sidewalks
  - Storm sewer work
  - Signs
  - Cemetery maintenance
  - Park maintenance
  - Garbage removal
- Special District Appropriations
  - Water line repair and improvements
  - Sewer line repair and improvement
  - Drainage work

---

---

---

---

---

---

---

### 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)
  - Expenditures budgeted Town-Wide (DA) unless a law mandates or allows otherwise
    - Highway Law §277 generally **mandates** road repairs and improvements (5110 & 5112) to be Part-Town (DB)
    - Highway Law §277 also **allows** machinery, snow removal and misc. (5130, 5140, 5142) to be Part-Town (DB)
    - Bridges (5120) must always be Town-Wide (DA)

---

---

---

---

---

---

---

---

### TOWNS WITH VILLAGES

- REVENUES
  - General Rule: revenues follow expenditures
  - CHIPS revenue must be Part-Town (DB)
  - Sales tax revenues must be Part-Town (DB) unless tax levy in Part-Town General (B) and Part-Town Highway (DB) funds is zero

---

---

---

---

---

---

---

---

### HIGHWAY FUND CAPITAL RESERVES

- Established pursuant to General Municipal Law §6-c
- Used to finance all or part of the cost of construction, reconstruction, or acquisition of a “specific” or “type” highway capital improvement or highway equipment.
  - Must be created by resolution of the town board upon recommendation of the highway supt.\*.
  - Expenditures from a capital reserve must be on recommendation of highway supt.

GML §6-c also requires consent of the County Highway Superintendent, however, most towns do not seek it.

---

---

---

---

---

---

---

---

### USE OF TOWN EQUIPMENT BY OTHERS

- May allow town highway equipment to be used by other municipalities, school districts and community colleges (HL §142-d)
- Can maintain sidewalks along state and county roads at town expense (HL §151)
- Can remove snow from school district property (HL §142-c)
- Can remove snow from village property (HL § 142-c)

**ALL require Town Board Approval**

---

---

---

---

---

---

---

---

### MONITORING THE BUDGET

- Must 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, 2023

Account Code	Description	Original Budget	Budget as Modified	Actual Expenditures	Unencumbered Balance
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	<b>Total Road Repairs</b>	<b>\$393,000</b>	<b>\$393,000</b>	<b>\$382,509</b>	<b>\$10,491</b>
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	<b>Total Road Improvements</b>	<b>\$321,000</b>	<b>\$321,000</b>	<b>\$312,001</b>	<b>\$8,999</b>
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	<b>Total Bridges</b>	<b>\$1,600</b>	<b>\$1,600</b>	<b>\$996</b>	<b>\$604</b>

---

---

---

---

---

---

---

---



**HIGHWAY CLAIMS**

- Certified/approved by the highway superintendent (TL §119)
  - Must be itemized and supported by receipts, invoices, etc.
  - Accompanied by receipt of delivery
  - Certify/verify by vendor if required
  - Paid by the supervisor after audit and approval by the Town Board or Town Comptroller.

---

---

---

---

---

---

---

**EXAMPLES OF HIGHWAY FUND CAPITAL RESERVES**

	<i>Highway Equipment</i>
<b>“Specific”</b>	Bulldozer Roller Snow Plow
<b>“Type”</b>	Snow Removal Equip. Street Cleaning Equip Highway Equipment

---

---

---

---

---

---

---

**HIGHWAY CAPITAL RESERVES**Type:

- No referendum requirements when created
- No maximum amount required
- Comply with public notice and permissive referendum requirements before expenditures are to be made.

Specific:

- Comply with public notice and permissive referendum requirements when created
- Maximum cost set forth
- Expend upon authorization of governing board

---

---

---

---

---

---

---

### HIGHWAY CAPITAL RESERVES

- Permissive referendum (Town Law §90- §94) requires a petition filed by at least 5% of the electorate qualified to vote in the last governor election.
- Sample Board resolutions in Appendix C of OSC's Local Government Management Guide on Reserves;

---

---

---

---

---

---

---

### RECORD KEEPING REQUIREMENTS

- Employee time and attendance records
- Inventory Records
  - Tools and equipment
  - Fuel
- Procurement records
  - Bids or quotes received for purchases made
  - Contracts

---

---

---

---

---

---

---

### Common Method to Charge Payrolls

<u>Dates</u>	<u>Service</u>	<u>Account</u>
December 1 – March 15	Snow Removal	DA5142.1
March 16 – May 30	Road Maintenance	DA5110.1
June 1 – August 31	Road Improvements	DA8340.1
September 1- September 15	Bridge maintenance	DA5120.1
September 16 - October 15	Brush & Weeds, Misc.	DA5140.1
October 16 – November 30	Machinery & Equipment	DA5130.1

---

---

---

---

---

---

---

## Common Time Record Used

<b>Employee: John Jones</b>								
	Mon	Tue	Wed	Thur	Fri	Sat	Sun	Total
Week Ended: 9/5/23	8	8	8	8	8	3		43
Week Ended: 9/12/23								
<b>Total For Pay Period</b>								
Week Ended: 9/19/23								
Week Ended: 9/26/23								
<b>Total For Pay Period</b>								

Week Ended: 9/5/23	Charge To: Bridge Maintenance (DA5120.1)							
	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

<b>Employee Name: John Jones</b>									
<b>Pay Period Ended: 9/5/23</b>									
Description	Account	Mon	Tues	Wed	Thur	Fri	Sat	Sun	Total
Road Maintenance	DA5110.1		4			3			7
Road Improvement	DA5112.1	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
<b>Totals</b>		8	8	8	8	8	3	0	43

<b>Name: John Jones</b>		<b>Pay Period: 9/5/23</b>		<b>Rate: \$15.00</b>
Account Code	Regular Hours	OT Hours	Allocated Amount	
DA5110	7		\$105.00	
DA5112	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	
<b>Total</b>	<b>40</b>	<b>3</b>	<b>\$667.50</b>	

### FUEL RECORDS

- Town Board may require the Highway Supt. to keep detailed fuel usage records (see Comptroller's Opinion 79-909).
  - 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.)
  - Tanks should be located in well lighted visible locations

---

---

---

---

---

---

---

#### Reconciliation of Fuel Inventory Records

Ending Level @ 8/31/23	250 gallons
Add: Delivery 9/5/23	720 gallons
Delivery 9/17/23	565 gallons
Total Fuel Available for use	1,535 gallons
Less: Recorded fuel use	1,275 gallons
Expected Level @ 9/30/23	260 gallons
Actual Level @ 9/30/23	240 gallons
Difference	(20 gallons)

---

---

---

---

---

---

---

### PURCHASING

- Competitive Bidding (GML §103)
  - Lowest bid or "best value"
  - \$20,000 purchase contracts
  - \$35,000 public works contracts
- Various statutory and common law exceptions
- Town procurement policy (GML §104-b)
  - Cannot require prior board approval for purchase of materials for road repairs and improvements in accordance with 284 Agreement or materials for repair or improvement to bridges and control of ice and snow (Comptroller Opinion 93-28)
- HL §142 [1-a] requires Board approval for purchase of highway equipment, tools and other implements
  - Board can authorize Supt. to purchase without approval in an amount fixed by the Board

---

---

---

---

---

---

---

### REPORTING REQUIREMENTS

- Budget estimate forms (TL §104 - returned to Budget Officer by September 20<sup>th</sup>)
- 284 Agreement with Town Board (HL §284)
- Inventory of machinery, tools and implements (HL §142[3])
- Monthly report to Supervisor of all receipts and disbursements (TL §27[1])
- Annual Report to Supervisor of all receipts and disbursements by Jan 20<sup>th</sup> (TL §123)
- List of unpaid obligations to Supervisor
- Other (DOT, County, Town Clerk)

---

---

---

---

---

---

---

### COMPTROLLER'S OPINIONS

- OSC Opinion 93-28 - Use of CHIPs money in 284 agreements.
- AG Opinion 96-12 – TB member not eligible to serve as deputy highway superintendent or highway department laborer.
- OSC Opinion 79-904 – TB may require the HS to keep detailed maintenance records and fuel use records.
- OSC Opinion 81-345 HS - can submit a voucher to the TB for reimbursement from the general fund to the highway fund of money for materials and labor expended while performing non-highway related services.
- OSC Opinion 81-168 – TB cannot force the elected HS to be a "working superintendent"

---

---

---

---

---

---

---

### QUESTIONS




---

---

---

---

---

---

---