

## Town Tea 3:

### Highway Fund & the Interplay between the Highway Superintendent and the Town Board

Record Date: Oct 7, 2021

Link to Recording:

<https://us02web.zoom.us/rec/share/MlgJ1NroBPGA2PVCyphoTBafIhzvRvFkjegVlydzrRAZq8zSuedEagXI0U9eNICb.HLh2sk6r3aDbPDY>

- Highway budget is governed by Highway Law § 141 and approved by the town board
- Highway Fund = "D"
  1. DA - Townwide highway expenses
  2. DB - Town outside village / part-town expenses
- Four areas of highway expenditures
  1. **Repairs and Improvements** - Repair and improvement of highways - **DB - Town outside village charge**
  2. **Bridges** - Repair and construction of bridges 5 feet or more – **DA - Townwide charge**
  3. **Machinery** - Purchase and repair of highway machinery, equipment, tools and implements – **DA - Townwide charge (option to exempt villages)**
  4. **Snow and Miscellaneous Highway Expenses** - Snow removal, control of brush and weeds and other miscellaneous highway purposes - **DA- Townwide charge (option to exempt villages)**
- Budgetary Process
  - Superintendent prepares estimate and provides to board by September 20 (October 20 for Westchester County and Monroe County)
  - Budget hearing by first Thursday before Election Day (December 10 for Westchester County and Monroe County)
  - Budget adopted by November 20 (December 20 for Westchester County and Monroe County)
- 284 Agreement
  - Written agreement executed by superintendent and town board
  - Should be executed by early January
  - Sets forth how to use money (including CHIPS) levied and collected for highway improvements
  - Superintendent can purchase materials and supplies for highway repair and maintenance so long as it is done in accordance with 284 agreement without prior town board approval
    - Superintendent would then submit claim to be audited and supervisor would provide payment
  - Superintendent cannot provide for highway repairs and improvements without 284 agreement
  - Changes to 284 agreement must be agreed to by both superintendent and town board
  - If not provided for in 284 agreement, all purchases must be authorized by town board



- Town can provide in local procurement policy that purchases up to a certain amount (e.g., \$500) do not require pre-approval by the board
- Budget Transfers
  - If town has one or more villages, no transfers between highway accounts unless the funds are derived from the same tax base (e.g., DA-DA, DB-DB)
  - Highway Law section 285-a provides that a town may transfer moneys between highway fund accounts, so long as such accounts are comprised of moneys raised by taxes levied on property in identical areas of the town.
  - No transfers from highway fund to general fund
  - Town Law section 113 allows for transfers from the general fund to the highway fund, so long as the accounts are comprised of funds derived from the same tax base
    - Transfers to item 1 of the highway fund from the general fund are prohibited (unless no villages).
  - Essentially, before any transfer occurs, ensure that the tax base between the two accounts is the same
- Expenditures
  - Superintendent must adhere to 284 agreement
  - Expenditures must be approved by town board, even if they are budgeted for
    - If authorized by 284 agreement, prior town board approval not necessary
- End of Fiscal Year
  - Superintendent files list of unpaid obligations with supervisor, who then encumbers applicable appropriation account balances to the extent of the encumbrances