

**INSTRUCTIONS TO  
PREPARE THE FY 2017  
COUNTY ANNUAL REPORT  
FOR THE IOWA DOT**

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## **GENERAL INSTRUCTIONS**

### **When Is the Annual Report Due?**

September 15 of each year is the deadline for the county engineer to submit an annual report to the Iowa DOT, as per [Iowa Code Section 309.22](#). Submittals are welcome any time after July 1 of each year and must be submitted by September 15.

### **What Must Be Submitted?**

There are 15 sheets (including a notes sheet) contained in the printable copies of the document known as the Official Report of County Highway Engineer. All references to Sheet Numbers or Item Numbers in these instructions relate to numbers contained in the printable copies of the report. The following is included in that report:

#### **SHEET 1     *TITLE SHEET***

The Title sheet shows the table of contents for the rest of the report and provides a line for the county engineer to sign a hard copy for filing.

#### **SHEETS 2 – 8    *SUMMARY AND DETAILED FINANCIAL INFORMATION***

Sheets 2 - 8 contain the summary and detailed information of all receipts and expenditures that passed through the county's secondary road fund during the last fiscal year. This is required by [Iowa Code Section 309.22](#) and must be filed on forms per [Administrative Rule 761 Chapter 173.3](#), developed by the cooperative efforts of the Iowa DOT and ICEA (ICEA) Service Bureau.

#### **SHEET 9     *INDEBTEDNESS***

Sheet 9 summarizes the bonding and other debts the county has issued for Secondary Road Purposes.

#### **SHEET 10    *CONSTRUCTION PROGRAM PROGRESS REPORT***

Sheet 10 lists the progress of locally paid, accomplishment year projects included in the five-year program for the past fiscal year and lists the amount expended by contract or day labor on each project. This information is required by [Iowa Code Section 309.22](#).

#### **SHEET 11    *ROAD/STREET EQUIPMENT INVENTORY***

Sheet 11 is provided to list the county equipment used for maintenance and/or construction. It shows the cost of purchasing, leasing, or renting the equipment. It also shows an accounting of the use of such equipment for construction, reconstruction, or improvement projects on county roads in the previous fiscal year. Paragraph 7 of [Section 309.93 of the Iowa Code](#) requires this information.

SHEET 12 *EXPENDITURES FOR SECONDARY ROADS NOT ACCOUNTED FOR THROUGH THE SECONDARY ROAD FUND*

Sheet 12 is used to document information for those counties that expend monies directly from other funds for secondary road purposes. It is used as part of the calculation for 'Local Effort' on Sheet 13.

SHEET 13 *LOCAL EFFORT PROVISION WORKSHEET*

Sheet 13 is a worksheet used by the Iowa DOT to certify to the State Treasurer which counties have/have not met their local effort requirement under [Iowa Code Section 312.2\(5\)](#). Basically, a county is required to raise 75% of their maximum taxing potential for secondary road purposes.

SHEET 14 *STATEMENT OF FINAL COSTS (HF-324)*

Sheet 14 is for reporting the final costs of **all** completed projects that exceeded 90% of the bid threshold at the beginning of the reporting year. This reporting is required by [Iowa Code Section 309.93\(7\)](#). Details for completing this sheet are contained later in these instructions.

**3. SUBMITTAL PROCEDURE**

All submittals are to be made through the ICEA Service Bureau "Annual Report Tool" in TPMS. The Annual Report Tool notifies the Office of Local Systems when completed reports are ready for review.

**4. GENERAL COMMENTS ON PREPARING THE ANNUAL REPORT**

**A. ITEMS CHARGEABLE TO VARIOUS CLASSIFICATIONS**

Use the Accounting Code Series listed in [I.M. 2.071](#), Secondary Road Budget Accounting Code Series.

**B. FRINGE BENEFITS**

Items such as vacation, sick leave, holiday pay, FICA, IPERS, medical insurance etc. should be charged as a part of labor on a pro-rated basis and placed in the appropriate expenditure classification. These expenses can be carried per month or per year and then distributed per appropriate labor classification. Accounting Code Series 900 has been assigned for these fringe benefit items. This accounting procedure will more accurately determine labor and item cost. Fringe benefits shall not be placed as a separate item on any sheet of the annual report.

**C. EXPENDITURES REIMBURSABLE TO SECONDARY ROAD FUND**

Sheets 4 thru 8 provide lines for reimbursements to the major expense classifications. An item/work is paid out of the secondary road fund, charged to

an expense classification and then is later repaid by other people or agencies. Other agencies may include, but not be limited to, other counties, cities, or the state. The reimbursements could come from other county funds such as general, conservation, road clearing, etc.

To determine if a repayment is considered a “reimbursement” or a “miscellaneous receipt”, it will depend upon which accounting year the repayment takes place. When such a repayment takes place in the same accounting year, it is a reimbursable item, except as noted in the following paragraph. When the repayment takes place in the succeeding year, it gets treated as a miscellaneous receipt.

The exceptions are reimbursements from special categorical programs such as HBP, FEMA, ER, RISE, State Bridge, Emergency Watershed Program (EWP), negotiated Transfer of Jurisdiction agreements, TSIP, and C-STEP. They should always be treated as receipts and shown on sheet 3.

## **DETAILED BREAKDOWN OF ANNUAL REPORT SHEETS 1 – 15:**

### **SHEET 1 - COVER SHEET**

The Annual Report Tool automatically completes this sheet. The official copy that the county prints and files for its records should be signed by the county engineer.

### **SHEET 2 - FINANCIAL SHEET FOR SECONDARY ROAD FUND**

#### Item 1 AUDITOR'S BALANCE

Show the balance of your secondary road fund at the beginning of the fiscal year (July 1). This figure must be the same as last year's ending balance (line 22 sheet 2 from last report). Do not show the cash balance reported by the treasurer but rather the cash balance after the outstanding warrants have been subtracted.

**If a state auditor has changed, by transfer or correction, last year's balance, show the original balance and then add or subtract the change under Item 7, Tax Refunds and/or Credits, on sheet 3, Receipts to the Secondary Road Fund. Please be sure to include an explanation if last year's balance has been changed.**

#### Item 2 – 19 RECEIPTS AND EXPENDITURES

These items are the totals of the various receipts and expenditures categories computed from information entered on sheets 3 thru 8. The Annual Report tool will automatically enter these values based on the information inserted in the categories on sheets 3 thru 8.

Item 20 OBLIGATED BALANCE

This figure is the total of Part 4. OBLIGATIONS on Sheet 9, INDEBTEDNESS & OBLIGATIONS. Two categories of obligations are included in Part 4. The first category is for bills received but not paid until after June 30<sup>th</sup>, approved purchase orders for delivery after June 30<sup>th</sup>. The second category consists of unpaid balances on locally paid construction contracts.

Item 21 UNOBLIGATED BALANCE

Enter the difference between the auditor's end balance and the obligations noted above (Item 22 - Item 20). This could show as a negative if the obligations exceed the Auditor's end balance.

Item 22 END BALANCE

The auditor's June 30 ending balance. This is not the treasurer's cash balance but rather the cash balance minus the outstanding warrants.

Item 23 TOTAL FUNDS ACCOUNTED FOR

Expenditures plus ending auditor's balance (Item 19 + Item 22). This item should also equal the total funds to account for in Item 3 above.

**SHEET 3 - RECEIPTS TO SECONDARY ROAD FUND**

This sheet provides a detailed breakdown of the total receipts listed in Item 2 on sheet 2. Special categorical funds as noted on the previous page are accounted for as receipts rather than reimbursements. RISE receipts are listed under Item 4 and Federal Bridge Funds are listed under Item 5. All other special categorical funds should be included under miscellaneous receipts.

If an expenditure and its repayment by others did not take place in the same fiscal year, the expenditure is listed in the year expended and the repayment is listed as a miscellaneous receipt in the year received.

Item 1 COUNTY AUDITOR'S BEGINNING SECONDARY ROAD FUND BALANCE

This is the figure entered on Line 1 of the Financial Sheet (sheet 2) for Secondary Roads.

Item 2 TRANSFERS FROM TAX LEVIES PER [331.429 OF THE IOWA CODE](#)

Tax receipts from property taxes, delinquent taxes from past years and state payment of tax credit are shown in Part A. Receipts from Local Option Sales Tax transfers are included in Part B. Levy rates, both overall

county levies and secondary road fund levies, are also entered in this section.

Item 3 ROAD USE TAX RECEIPTS

List the amount of regular Road Use Tax Fund (RUTF) revenue received for your county secondary road fund. Also show the receipts for the TJ of the FM extensions in the cities with population of 500 or less, as per [Iowa Code, Section 312.3, subsection 2.b.](#) TIME-21 funds received in accordance with [312A.3, subsection 2.](#) also get reported here. The TIME-21 receipts are provided on the Office of Local Systems web site at [https://www.iowadot.gov/local\\_systems/publications/funding\\_info.html](https://www.iowadot.gov/local_systems/publications/funding_info.html). TIME-21 funds are part of the RUTF deposit received from the Treasurer of Iowa, so they need to be deducted from the regular RUTF amount shown as being received by the County.

Item 4 RISE FUNDS

List amount of RISE funds reimbursed to the secondary road fund.

Item 5 FEDERAL BRIDGE REPLACEMENT FUNDS

List federal bridge replacement or rehabilitation funds received into the Secondary Road Fund.

Item 6 TRANSFER OF FARM TO MARKET FUNDS TO LOCAL SECONDARY ROAD FUND

List amount transferred per [Iowa Code Section 309.10](#) and [I.M. 2.030](#), Transfer of Farm-to-Market Funds to the Local Secondary Road Fund.

Item 7 TAX REFUNDS AND/OR CREDITS

Refunds to taxpayers are not available for road purposes and therefore considered to be reductions in receipts rather than expenditures, even though your auditor may show them as expenditures. Include any state auditor's transfers, errors and any canceled warrants which were issued and canceled in the same accounting year. If warrants issued in past years are canceled, show this amount as a miscellaneous receipt and note that initial year issued on that sheet.

Item 8 MISCELLANEOUS RECEIPTS

Total of Items 11 through 25, as totaled in Item 26.

Item 9 TOTAL RECEIPTS TO SECONDARY ROADS

Total of all the receipts to the Secondary Road Fund (Items 2 through 8).

Item 10 TOTAL FUNDS TO ACCOUNT FOR

Total of Items 1 and 9. This is the sum of the auditor's end balance on June 30 of the previous year and your current year's receipts. It gives a total of all monies that were available to the secondary road fund.

Items 11 - 26 MISCELLANEOUS RECEIPTS ITEMIZED

- Item 11 Right-of-way sold or Leased
- Item 12 Real Estate and Buildings sold or rented
- Item 13 Gravel Pits and Rock Quarries Leased or Royalties
- Item 14 Old Equipment Sold
- Item 15 Used Materials, Supplies and Junk sold
- Item 16 Cash Donations
- Item 17 Licenses or Permits
- Item 18 Reimbursements to Secondary Road Fund – list out the reimbursements received to Secondary Roads during this FY
- Item 19 Special Assessments – list special assessments received as per [Iowa Code Section 311](#)
- Item 20 Other FHWA Funds or Grants – list all other funds received from FHWA, such as Emergency Relief, TIGER funds, and other grants
- Item 21 State Bridge Funds – list any state county bridge funds received this FY.
- Item 22 Other Federal Funds not from FHWA – list all other Federal funds received that didn't originate from FHWA, such as any NRCS, EWP, Forest Service, HUD or other Federal Grants received this FY. Include FEMA in Item 23 (see below).
- Item 23 FEMA Disaster Aid – list all FEMA disaster aid funds received this FY.
- Item 24 Transfers from other funds to Secondary Roads – list all transfers from other funds to the Secondary Road Fund.
- Item 25 Use item 25 to list other special categorical receipts that are not covered by Items 11 - 24, including receipts from negotiated TJ agreements.

**SHEET 4 - 70X ADMINISTRATION AND ENGINEERING COSTS**

The Accounting Code Series listed in [I.M. 2.071](#) explains what expenditures to include in 110 through 250 categories. Expenditures must be reported in one of those categories; there are no exceptions.

## **SHEET 5 - 020 COUNTY CONSTRUCTION COSTS**

The Accounting Code Series in [I.M. 2.071](#) explains most of the 310 through 390 categories. All ROW expenditures are reported in the 310 category. All other expenditures must fit into one of the categories shown.

The Raw Local Construction Totals minus the ROW costs (310) should equal the project totals of sheet(s) 10.

The Day Labor Construction Costs must match the total of the day labor portions of sheet(s) 10.

### **DEDUCT FOR COSTS ACCOUNTED FOR UNDER 721 & 722 SERIES OF GENERAL ROADWAY EXPENDITURES**

The total costs for Day Labor construction projects include the equipment operating costs and may include materials incorporated into the project that are taken from county material stockpiles. Because the county's costs for equipment and equipment operations, and stockpiled materials are accounted for in the General Roadway Expenditures in the 721 and 722 series, adjustments to the Day Labor project costs for duplicated expenditures are necessary before the Adjusted Local Construction Expenditures are transferred to the 020 construction item in the Financial Sheet for Secondary Road Funds (sheet 2).

In accordance with stipulations in [309.93](#) and [314.1A](#) of the Iowa Code, the DOT has determined hourly rates for the various pieces of construction and maintenance equipment typically used by counties. The rates can be found on the Local Systems webpage at [https://www.iowadot.gov/local\\_systems/publications/co\\_city\\_reports.html](https://www.iowadot.gov/local_systems/publications/co_city_reports.html).

For example, a project to install and new roadway culvert pipe could include 10 hours of excavator time. If the hourly rate for a hydraulic crawler excavator were \$67.53 per hour, multiplying the rate by the hours used shows a cost of \$675.30 to the project for the excavator use. While the total cost for the project will include this amount, the county's costs for operating the equipment are accounted for in the General Roadway Expenditures of the budget. So the costs are not duplicated, the total costs for the 020 item of the Financial Sheet will need to be adjusted by \$675.30.

A similar process must be used for any material taken from stockpiles that are accounted for by the 660 Accounting Codes. The invoice costs for that material are included in the project cost but must be deducted from the total costs transferred to the 020 item on the Financial Sheet.

## ADJUSTED LOCAL CONSTRUCTION EXPENDITURES

This figure is the raw local construction costs minus the duplicated costs accounted for in the 721 and 722 General Roadway Expenditures.

## REIMBURSABLE CONSTRUCTION ITEMS

Reimbursable Construction Items are those project related costs that were initially paid from the Secondary Road Fund and repaid by outside agencies or by a transfer of other county funds unless the repayment comes from one of the previously listed categories that are to always be considered receipts. These costs must be paid for out of the Secondary Road Fund and reimbursed to that fund by others in the same accounting year.

## NET ADJUSTED CONSTRUCTION

The total of the Reimbursable Construction Items is subtracted from the Adjusted Local Construction Expenditures to arrive at the Net Adjusted Construction cost. This is the cost that is carried back to Item 7, 020 Construction, on the Financial Sheet For Secondary Road Fund (sheet 2).

## **SHEET 6 and 7 - 71X ROADWAY MAINTENANCE COSTS**

Report all expenditures related to the maintenance of secondary roads and bridges in this area. Explanations of the various work categories are provided in [I.M. 2.071](#). Reimbursements for maintenance work charged should be included in the locations provided and the net costs entered in the various locations on Sheet 2. Please note the special procedure for reporting road clearing costs below.

### 714 - ROAD CLEARING

Counties may pay for road clearing items out of their secondary road fund, a separate county road clearing fund (a special component of Rural Basic), or a combination of both.

Expenditures from your secondary road fund for road clearing purposes are to be listed on sheet 7 under 714 Road Clearing. Reimbursements or receipts from the separate county road clearing fund for road clearing purposes are to be listed on sheet 7 under 714 Reimbursements to Road Clearing.

Expenditures paid directly from the separate county road clearing fund that were for secondary road clearing purposes are not to be listed here but rather on Sheet 12, Expenditures for Secondary Roads Not Accounted For Through the Secondary Road Fund.

For example, if county conservation does the secondary road clearing as part of their duties and the county pays for these services through the secondary road fund, record the payments on sheet 7. If the same services were performed but not paid out of the secondary road fund, do not list any amount on Sheet 7, but do list the expenditure on Sheet 12, Expenditures for Secondary Roads Not Accounted For Through the Secondary Road Fund.

### **SHEET 8 - 72X GENERAL ROADWAY EXPENDITURES**

Reimbursement to New Equipment (Code 610) - Insurance settlements, vehicles or equipment sold to other county agencies etc., should be considered a reimbursement if the transaction took place in the same fiscal year as the purchase. Treat it as a miscellaneous receipt if the payment was not received in the same fiscal year as the expenditure. The same procedure applies to reimbursements for the other categories on this sheet.

### **SHEET 9 - INDEBTEDNESS**

List only indebtedness for the purpose of Secondary Roads - not total Indebtedness of the county for other purposes.

#### **INDEBTEDNESS, BONDS, BANK LOANS and ANTICIPATORY CERTIFICATES**

Fill out the Type, Description, Issue date, Term and purpose. Also fill out the fund it was deposited into, whether that be the Secondary Road Fund, or another fund at the County. Enter the Bond/Loan amount outstanding on July 1 (beginning of FY), the proceeds received for Secondary Road Purposes this FY, Principal Paid this FY, and interest paid this FY. The Bond/Loan amount outstanding on June 30 of the FY (end of FY) will be automatically calculated.

If any new debt was deposited directly into the Secondary Road Fund, report the total also on Sheet 3, under Miscellaneous and "other".

If any funding was deposited in this FY into another County Fund and used for Secondary Road purposes, such as the General Fund or Rural Basic, or a special fund for bond proceeds, report that amount on Sheet 12.

An Anticipatory Certificate is used if a county is lacking in cash to pay for road work; the county may issue an anticipatory certificate to a contractor, who may then go to the bank and cash the anticipatory certificate. The bank would then charge the county interest.

## **SHEET 10 - SECONDARY ROAD CONSTRUCTION PROGRAM PROGRESS REPORT**

These sheets should be used to list every construction project that expended Local Secondary Road Funds during the past fiscal year. (**Note: These are NOT the pages for the reporting of final project costs in accordance with [309.93](#). A separate sheet (14) is provided at the end of the report for those costs.**) The costs incurred should be broken down into the various accounting codes and work types provided. The following information must be completed for each project reported.

**Project Location:**

This should be the location description in TPMS that was used for the preparation and submittal of the CFYP.

**Project Programmed as:**

The project number shown here should match the project number in the CFYP submitted.

**Project Let as:**

This information should only be completed if the project was let under a different project number.

**TPMS ID:**

This must be shown for every project reported on sheet(s) 10. Including the TPMS ID facilitates comparison of the reported projects to the CFYP. It should reduce phone calls requesting clarification of information provided.

**FHWA #:**

If the project involves a bridge replacement or rehabilitation, the FHWA Bridge number should be shown here. This should be the same number shown in the CFYP for the project.

**Percent Complete:**

List the percent complete based on the ratio of current years costs and previous years costs to the estimated (or contract) final cost.

**System:**

This must be completed and should indicate the road system classification (Farm to Market or Local) that the project is located on. The annual report summary lists construction completed on each system so it is important that this item is properly completed.

**Project Cost Details:**

Each project record provides a detailed listing of accounting classes and codes and types of work. Project costs should be listed according to the types of work shown. Separate columns are provided for day labor and

contract work. The Item totals must be shown at the far right. Project totals must be shown for both day labor and contract work types and the total project cost shown. Space is provided at the bottom of each record for special notes to explain unusual situations. Use this space to indicate if TIME-21 funding was utilized on the project, if desired.

## **SHEET 11 - ROAD EQUIPMENT INVENTORY**

Sheet 11 was developed in accordance with [Iowa Administrative Code, 761 Transportation Chapter 178](#) to report the costs of purchasing, leasing, or renting county or city equipment used for maintenance and/or construction work on roads, streets, culverts or bridges. It also shows an accounting of the use of such equipment for construction, reconstruction, or improvement projects on county roads and city streets in the previous fiscal year. For example: types of work that are considered construction, reconstruction, improvement or maintenance, refer to Appendix A. Refer also to Appendix D for frequently asked questions concerning Sheet 11.

**Note:** Equipment should only be reported on this form if it is either (a) self-propelled equipment, or (b) motorized, non-self-propelled equipment with a cost in excess of \$5,000. However, maintenance equipment used exclusively for snow and ice removal (snow plows, spreaders, etc.) does not need to be reported. A separate line item entry is required for each piece of equipment that meets the reporting requirements.

Complete Sheet 11 as follows:

**Column 1 – Local ID#:** Enter the county or city identification number. If the county or city does not use an I.D. # for its equipment, leave this column blank.

**Column 2 - Model Year:** Enter the model year of the piece of equipment (1999, 2001, 1986, etc).

**Column 3 – Description:** Enter a description of the equipment. These entries would be similar to Buick LeSabre car, Cat 140G motor grader, Int'l 4700 single axle truck, Ford L9000 tandem axle truck, etc.

**Column 4 - Price – Purchase:** If the piece of equipment was purchased by the county, enter the purchase price.

**Column 5 - Price – Lease:** If the piece of equipment was leased, then enter the lease rate per unit of time, such as \$50 per hour, \$1,000 per month, etc., in the “Cost” and “/Unit” columns below.

**Column 6 – Price – Rental:** If the piece of equipment was rented, then enter the rental rate per unit of time, such as \$50 per hour, \$1,000 per month, etc., in the “Cost” and “/Unit” columns below. Note: The rates in this column are to indicate what the county paid to rent a piece of equipment, NOT the rates the county charges others.

**Column 7 – Equipment Type Used on Project this FY?:** Enter “Yes,” or “No” to indicate if this type of equipment was used on a construction, reconstruction, or improvement project this fiscal year, including any day labor construction projects.

**Column 8 – Status:** Indicate any changes in the equipment’s status from the previous year by entering one of the following: “new” if the equipment was purchased in the current year; “traded” if the equipment was traded in the current year; “junked” if the equipment was disposed of without receiving compensation in the current year; or “sold” if the equipment was sold in the current year. If there is no change in the equipment’s status, leave this column blank.

**SHEET 12 - EXPENDITURES FOR SECONDARY ROADS NOT ACCOUNTED FOR THROUGH THE SECONDARY ROAD FUND**

This sheet was designed to show expenditures for secondary road purposes that were not accounted for through the secondary road fund, as the monies were not transferred into the secondary road fund. The expenditures are paid directly out of other funds. The need for this sheet is to provide a method to document such expenditures so they can be counted towards the county's local effort requirement. Any unusual situations should be noted in area provided for notes on the last sheet of the report.

**SHEET 13 - LOCAL EFFORT FINANCIAL WORKSHEET**

[Iowa Code Section 312.2\(5\)](#) requires the Treasurer of State to reduce the Road Use Tax (RUT) payments to counties that do not raise a minimum of 75% of the potential revenue that could have been raised for secondary road purposes.

The Iowa DOT takes 75% of the potential receipts available to the county minus actual secondary road receipts and if that amount is positive, it is reported to the Treasurer of State for reallocation of RUTF to other counties.

This sheet is automatically calculated by showing numbers from other sheets throughout the annual report.

The following is a short description of each item on the Local Effort Provision Worksheet:

Section 1      TABULATION OF ACTUAL RECEIPTS

All values are automatically entered from Sheet 3.

- A. Shows levies up to the maximums of \$0.16875 per thousand for “General” and \$3.00375 per thousand for “Rural”. Lists levy amounts and dollar amounts from Sheet 3.

- B. Tax Receipts - from sheet 3, line 2. Receipts include property tax (current & delinquent), state credits, etc., on line B1. Receipts from Local Option Sales Tax are shown on B2.
- C. Other Funds Transferred into Secondary Road Fund - Items such as licenses, permits, county assistance, contributions for road improvements etc. Generally, this category contains a small amount of funds. Also see special local effort notes later in these instructions.
- D. Other Funds Provided for Secondary Road Purposes (from Sheet 12) - Funds provided directly for secondary road purposes but did not go through the secondary road account. Uses figure from sheet 12, line 5 in the expenditures
- E. Total Receipts - Add B1 through D

## Section 2 CALCULATION OF MAXIMUM REVENUE POTENTIAL

- A. All Property Value. The values in A. and B. come from Sheet 3, Item 24, and are obtained from the state Department of Management and are “locked” by the ICEA Service Bureau. (Note: Per [Iowa Code Section 331.429](#) this is the “assessed value on all taxable property” in the county. The state Department of Management has indicated this includes assessed value of utility property)
- B. Rural Property Value.
- C. Total Revenue Potential – Sum of 2C + 2D.

## Section 3 COMPLIANCE TO LOCAL EFFORT PROVISION

- A. Minimum Requirement -- 75% of the potential revenue. (Line 2E times .75)
- B. Actual Receipts - Total receipts form line 1E.
- C. Amount Subject to Reallocation (3A - 3B) - Future RUTF receipts will be reduced by any positive number listed on 3C of this sheet.

## **SPECIAL LOCAL EFFORT NOTES**

### **ITEMS CREDITED TOWARDS LOCAL EFFORTS:**

1. Tax Receipts - Property tax and credits and Local Option Sales Tax if credited to the Secondary Road Fund.
2. Contributions for Secondary Road Improvements - Examples are cash and property donations by individuals for improvements to secondary roads.

3. Other Monies - Such as the sale of anticipatory certificates, special assessments, sale of vacated road property and haul road or detour payments.
4. Discretionary Funds Transferred Into Your Secondary Road Fund. Examples are county assistance fund, local option tax, licenses, permits, inspections, etc. Do not include permits for dust control.
5. Discretionary Funds Paid Directly From Other County Funds for Secondary Road Purposes - (From sheet 12 of the Annual Report) Examples are FICA, IPERS, insurance costs related to road operations, road clearing, etc.

ITEMS NOT CREDITED TOWARDS LOCAL EFFORT:

1. Reimbursements and Refunds - Examples are Federal Bridge Funds, research funds, disaster payments, road clearing or weed fund reimbursement (unless used for weed and brush control in road ROW), city engineering, construction, or maintenance reimbursement, dust control reimbursement, refund of life insurance premium, recovery on insurance losses, railroad project reimbursement, road transfer agreement payments, federal excise tax refunds, reservoir road payments, tax free land payments, etc.
2. Sale/Income From County Assets - (Unless it exceeds purchase amount). Examples are sale of used material, real estate (except sale of vacated road property), equipment, farm or building rent, etc.

NOTE: If sale price does exceed the original purchase price, only the excess amount will be considered as local effort.

3. Road Use Tax Receipts.

## **SHEET 14 - STATEMENT OF FINAL PROJECT COSTS**

This sheet was developed in accordance with [Iowa Administrative Code, Transportation \[761\], Chapter 178](#). Report **ALL** (local, FM and FA) completed county road projects on the farm-to-market and secondary road systems for which the final total cost (not partial cost) exceeded 90% of the bid threshold at the beginning of the fiscal year. For fiscal year (FY) 2017, counties should only report projects with construction costs greater than \$78,300. For more information on bid thresholds, visit this website:

[https://iowadot.gov/local\\_systems/publications/bid-and-quote-thresholds](https://iowadot.gov/local_systems/publications/bid-and-quote-thresholds)

**If a county has not completed any projects that exceed these cost reporting thresholds, enter “None” on the first line of this form.**

This includes day labor or public or private contracts for construction, reconstruction, or improvement projects completed and final payment made during the fiscal year. For example types of work that are considered construction, reconstruction, improvement or maintenance, refer to Appendix A.

Since this form shows the final total cost of these projects, this amount will not necessarily match construction dollars identified on Sheet 10 or Sheet 2 of the county annual report. Some projects may have started in an earlier fiscal year and were just completed during the fiscal year that the annual report covers. Other projects whose final cost is less than 90 percent of the bid threshold don't need to be reported on this form. However, those projects still need to be reported on Sheet 10 per [Iowa Code section 309.22](#).

Note: Refer to Appendix B for an example Day Labor Cost Calculation. Refer also to Appendix D for frequently asked questions.

Complete Sheet 14 as follows:

### **Project Data:**

**TPMS Number** – Enter the TPMS number that was assigned to this project.

**Project Number** - Enter the number assigned to the project. This may be the number used in a public letting, programmed in a construction program, or assigned for accounting purposes.

**Route & Description** - Enter the location of the project and a detailed description identifying the limits of the project, the size of the structure, etc.

**Contractor** - On projects or parts of a project that were contracted out, enter the contractor's company name in this column.

**Estimated Cost** - Enter the county's estimate of the project cost, the cost that was in the construction program, or the cost at the time of the letting for the project.

**Public Letting?** - Enter “Yes” or “No” to indicate if the project was publicly advertised and let for bids.

## **TR-608 Classifications:**

**Project Type** - Enter either "Road" or "Bridge".

**Roadway Surface Class** – Enter whether it is Earth, Granular, Hard-Surfaced or Paved.

**Purpose of Work** – Enter one of the following:

- Rehabilitation – partial restoration of service life
- Renewal – Replacement or reconstruction sufficient to give the route a full service life restart
- Upgrade – indicates that the project expanded the extent, size and composition of the network.

**Project Length in Miles** – Enter the length of the project, in miles.

## **Contract Costs:**

**Contract Amount** - Enter the dollar amount of the original contract.

**Contract Work - Additions/Deductions** - Enter the cumulative dollar amount of any additional cost or cost reductions as determined by extra work orders, change orders, or bid item quantity adjustments.

## **Day Labor Costs:**

**Labor** - Enter the total dollars associated with the construction work performed by county employees on the project. Include the total salaries (including overtime), plus corresponding fringe benefit costs (IPERS, FICA, Insurance, etc.), paid to public employees for the time they devoted to the project.

**Equipment** - Enter the total dollars associated with the equipment used on this project. The rate for the individual pieces of equipment may be the actual lease or rental rate, if the equipment is leased or rented, or the rate as determined by the Iowa DOT. If a piece of equipment used on the project is not shown, contact the Office of Local Systems (515-239-1528) for assistance. Do **not** use locally determined rental rates.

**Materials** - Enter the total cost of materials and supplies acquired, consumed, or expended for the project. This may be the cost directly chargeable by invoice, or charged from stock. If used material is utilized, enter the salvage value.

**Overhead** - Enter the overhead or indirect costs incurred by the county or city, as a pro rata share associated with the day labor project. If a county or city has determined an overhead rate based on an accountant's review of their public records, that rate may be used. If no overhead rate has been determined, then use ten percent of the total direct salary or wage costs (excluding fringe benefits) charged to the project. Just a reminder,

costs for IPERS, FICA, Insurance, etc. are not overhead costs, they are included as labor costs as noted for Column 9.

**Total** - This column is calculated automatically.

**Note:** This form and the documentation used to develop the costs are public records. As such, they are open to inspection to see if a county or city actually saved money by doing the work by day labor.

[Iowa Code Section 314.1](#) requires public agencies to advertise and let to bid any public improvement that involves construction, reconstruction, or improvement of a highway, bridge, or culvert that has a cost in excess of the applicable bid threshold. The public agency has the option to reject bids and re-let the project or build by day labor at a cost not in excess of the lowest bid received. The public agency should exercise extraordinary care to keep accurate records of the day labor costs to insure the day labor project doesn't exceed the bid thresholds or the lowest bid received. Also, projects should not be arbitrarily cut up into smaller projects to avoid complying with the bid threshold requirement to let a project.

### **House File 2345 – Replacing or Repairing Structurally Deficient County Bridges**

#### **Background**

In the 2016 Legislative session, the Iowa Legislature passed a bill ([HF 2345](#)) requiring counties to make annual reports regarding progress in working on SD bridges. The mandates established direct that, each year, counties must report:

- a) All SD structures that have been replaced or rehabilitated to full legal load capacity.
- b) All SD structures partially rehabilitated and note what additional actions are needed to achieve full capacity.
- c) All SD structures that are in process towards replacement or rehabilitation, along with a timeline.
- d) All other SD structures that remain, along with a timeline for repair or replacement.

The Iowa DOT will report this information to the Legislature. Refer to the Technical Instructions posted on the Service Bureau for further information.

## **Appendix A - Example Types of Work**

[Iowa Administrative Code, Transportation \[761\], Chapter 178](#), defines the following terms as they pertain to project cost reporting requirements for cities and counties:

- **Construction:** means the building or development of a road, street, bridge or culvert in a new location when: 1) The new location deviates substantially from the existing alignment, and 2) The result is an entirely new road or street for the greater part of the length involved.
- **Reconstruction:** means a significant change to the existing type of road, street, bridge or culvert or its geometric and structural features. Some realignment and the use of current design criteria may be involved.
- **Improvement:** means a betterment to a road, street, bridge or culvert. The work increases the value of the facility and enhances the facility, its traffic operations or its safety beyond the original design. The work would not be so extensive as to be classified as construction or reconstruction, but it could involve rehabilitation, restoration or resurfacing (3R) type projects.
- **Repair or Maintenance:** means the preservation of a road, street, bridge or culvert so that it is in sound or proper condition. The work may include minor replacements and additions necessary to restore the road, street, bridge or culvert to its originally built condition with essentially the same design.

This appendix provides examples of the types of work that fall within the definitions listed above.

### **Work Classed as Construction or Reconstruction:**

#### **Road and Street**

- Building new roads or streets. This excludes developers' subdivisions unless there is local public agency money involved.
- Removal of an old roadbed and rebuilding to a new grade, alignment, profile, and cross-section for 500 continuous feet or more.
- Widening an existing road or street sufficiently to change its geometric type, as from 2-lane to 3- or 4-lane, or from 4-lane to 6-lane in accordance to current design criteria.
- Addition of 500 continuous feet or more of frontage road.
- Surfacing of roads, streets or shoulders with material higher in quality than the original for 500 continuous feet or more. Includes surfacing of granular or seal coat roads or streets with hot mix asphalt or PC concrete.
- First erection of large traffic or directional sign trusses, traffic signals, and highway lighting on newly constructed or reconstructed routes.
- Installations or extensions of curb, gutter or storm sewer for a continuous length of 500 feet.
- Reconstruction of an intersection and its approaches to a substantially higher type, involving a change in its character and layout. This includes changes from a plain to major channelized intersection or from an at-grade intersection to a grade separation and ramps.

## **Bridge and Culvert**

- Building a new bridge or culvert on a road or street.
- Replacement of an existing bridge, or culvert with a span greater than 20 feet, with a new bridge or culvert that meets current design criteria.
- Building new flood control, flood prevention, and earthwork protective structures.

### **Work Classed as an Improvement:**

#### **Road and Street**

- 3R Projects: Rehabilitation, Restoration or Resurfacing – See definitions in [I.M. 3.214](#)
- Addition of auxiliary lanes, such as speed-change, storage, or climbing lanes.
- Installation or replacement of sign trusses with one of current design involving oversize, illumination, or overhead installation.
- Expansion of an existing lighting system.
- Channelization of an intersection without substantial change in the scope of the original layout.
- Substantial addition to landscape treatment, such as topsoil, sod, shrubs, trees, etc.
- Upgrading traffic signals to current design.
- Installation of protective devices at railroad grade crossing.
- Extension or new installation of guardrail amounting to 500 feet or more.

#### **Bridge and Culvert**

- The building or reconstruction of a bridge by strengthening, widening, and replacing piers or abutments. Involves strengthening to a higher design criteria than the original structure.
- Replacing a culvert with a structure of greater capacity and having a span or diameter greater than four feet, but less than 20 feet.

### **Work Classed as Repair or Maintenance:**

#### **Road and Street**

- Reconditioning an existing surface by scarifying, milling, mixing or reshaping, with the possible addition of material to restore material losses.
- On pavement surfaces, patching, surface treating, seal coating, joint filling, and mudjacking. Can include replacement of unsuitable base materials in patching operations.
- Resurfacing an existing granular road or street with gravel or stone.
- Resurfacing pavement with a single lift of Hot Mix Asphalt (HMA) less than two inches in thickness.
- Resurfacing pavement with HMA having a thickness of two inches or greater for less than 500 continuous feet.
- Replacement or widening of traveled way and/or shoulders for less than 500 continuous feet.

- Replacement of curb, storm sewer, and/or sidewalk less than 500 continuous feet.
- Applying dust control or palliatives.
- Reshaping ditches, drainage channels, and side slopes to their original shape.
- Restoration of erosion control, including replacing topsoil, sod, reseeding, removing or repairing slides, and replacement of shrubs or trees.
- Installation of road and street traffic and directional signs.
- Replacement or repair of individual traffic signals and highway lighting.
- Replacement or repair of guardrail for less than 500 continuous feet.
- Installation of accesses or entrances.
- Replacement of retaining walls or noise barriers in kind.
- Adding material (granular, asphalt) to shoulders for edge rut repair or in areas to prevent future edge rutting.

### **Bridge and Culvert**

- Cleaning, painting, and repairing structure.
- Making streambed corrections including minor channel changes, rip rap, or the use of gabions.
- Replacements with essentially the same original design. Can include replacing a wood deck, stringers, piles, or beams with similar material involving essentially the same width and strength as the original structure.
- Replacing a culvert with a culvert of essentially equal size (width or diameter) or installing a culvert with a span or diameter of four feet or less.

**Appendix B – Example Day Labor Cost Calculation**

The following is an example of how the day labor costs can be determined. In this example, Project L-HMA2001 involved resurfacing 2,000 lineal feet of road with 3 inches of Hot Mix Asphalt, 24 feet wide.

<b>Labor Costs</b>		Wage	Fringe	Total	Hours	Total
Name	Position	Per Hr	Per Hr	Hr Rate	Charged	Cost
John Smith	Foreman	\$22.91	\$9.16	\$32.07	16	\$513.12
John Doe	Heavy Equip Operator	\$19.09	\$7.64	\$26.73	12	\$320.76
JD Johnson	Equipment Operator	\$18.27	\$7.31	\$25.58	12	\$306.96
Richard Jones	Equipment Operator	\$18.27	\$7.31	\$25.58	12	\$306.96
Jack Nimble	Equipment Operator	\$18.27	\$7.31	\$25.58	12	\$306.96
Nancy Miller	Equipment Operator	\$18.27	\$7.31	\$25.58	12	\$306.96
Larry Larson	Equipment Operator	\$18.27	\$7.31	\$25.58	12	\$306.96
Janis Harms	Equipment Operator	\$18.27	\$7.31	\$25.58	12	\$306.96
Tom Jones	Equipment Operator	\$18.27	\$7.31	\$25.58	8	\$204.64
Don Peterson	Laborer	\$12.75	\$5.10	\$17.85	16	\$285.60
Toni Jackson	Laborer	\$12.75	\$5.10	\$17.85	16	\$285.60
Matt Kelly	Laborer	\$12.75	\$5.10	\$17.85	16	\$285.60
Scott Lee	Laborer	\$12.75	\$5.10	\$17.85	16	\$285.60
Bill Martin	Truck Driver	\$14.65	\$5.86	\$20.51	16	\$328.16
Nicole Roberts	Truck Driver	\$14.65	\$5.86	\$20.51	12	\$246.12
Norman Scott	Truck Driver	\$14.65	\$5.86	\$20.51	12	\$246.12
Mary Stone	Truck Driver	\$14.65	\$5.86	\$20.51	12	\$246.12
Steve Swanson	Truck Driver	\$14.65	\$5.86	\$20.51	12	\$246.12
Mark Taylor	Truck Driver	\$14.65	\$5.86	\$20.51	12	\$246.12
Tim Allen	Truck Driver	\$14.65	\$5.86	\$20.51	12	\$246.12
Keith Davis	Truck Driver	\$14.65	\$5.86	\$20.51	12	\$246.12
Total Labor Cost =						\$6,073.68

(Fringe Benefits such as IPERS, FICA, all insurance, etc. add up to payroll additive of 40% in this example) County and city are to use their own additive.

**Equipment Costs**

No.	Type of Equip.	Iowa DOT Hourly Rate*	Hours Operated	Total Cost
1	Asphalt Paver	\$145.16	12	\$1741.92
1	Wheel Roller	\$43.10	12	\$517.20
1	Drum Roller	\$38.05	12	\$456.60
1	Broom	\$15.32	12	\$183.64
1	Distributor	\$39.38	4	\$157.52
1	Tractor Trailer	\$22.41	8	\$179.28
1	Trailer	\$6.04	8	\$48.32
1	Skid Loader	\$15.80	12	\$189.60
1	Water Truck	\$21.24	12	\$254.88
3	Small Trucks	\$7.58	16	\$121.28
8	Dump Trucks	\$28.62	12	\$343.44
Total Equip. Cost =				\$4,193.88

\* Get Iowa DOT Hourly Rate from [https://www.iowadot.gov/local\\_systems/publications/co\\_city\\_reports.html](https://www.iowadot.gov/local_systems/publications/co_city_reports.html)

**Material Costs**

Type	Cost	Amount used	Total Cost
Hot Mix Asphalt	\$36.35 per Ton	920 Tons	\$33,442.00
Tack	\$ 4.00 per Gal.	133 Gallons	\$532.00
Total Material Cost =			\$33,974.00

**Overhead Costs** (10% of wages charged to the project)

Wages charged to the project equal \$4338.24

Total Overhead Cost =\$433.82

(Wages equals wage per hour times hours charged)

**Total Project Day Labor Cost = \$44,675.38**

## **Appendix D - Frequently Asked Questions**

**Question: *What projects need to be reported?***

Answer: Only construction, reconstruction, or improvement projects that are within 90% of the bid threshold at the beginning of the fiscal year need to be reported to the Iowa DOT. Repair or maintenance projects do not need to be reported.

**Question: *Do we have to track projects that are less than the 90% bid threshold?***

Answer: Yes, all construction, reconstruction, or improvement projects must be reported to the county auditor in accordance with [Iowa Code Section 314.1](#).

**Question: *Is there a maximum width limit for projects less than 500 feet in order to still be considered maintenance?***

Answer: No, there is no maximum width limitation. If the city or county is replacing a length of road or street that is less than 500 feet along the centerline, it doesn't make a difference as to how wide the section is. It is still considered maintenance.

**Question: *If you have a number of sections of pavement to replace that add up to more than 500 feet in total, is this project considered construction?***

Answer: If none of the sections are more than 500 continuous feet, then the project is considered to be maintenance. Keep in mind that you can't break up a larger project into smaller projects to get around the law. A larger project could be defined as one that a reasonable person would consider one project, such as a section of road or street more than 500 continuous feet, even if it turned at an intersection.

**Question: *If we have a project to seal coat a number of roads or streets and the total estimated cost is over the bid threshold, do we need to report it?***

Answer: No, a seal coat project, or even a resurfacing project with a thickness of less than 2 inches, is considered maintenance and doesn't need to be reported.

**Question: *What if a county mills or mixes up the material in a road or street, relays it and then seal coats the top, is this a reportable project?***

Answer: No, this is maintenance. Only if the city or county is taking out the old material and replacing it with new material, such as hot mix asphalt or Portland cement concrete, would it be construction.

**Question: *What about projects involving water mains or sewers, are they reportable?***

Answer: Only if they are part of a street, bridge or culvert project. If the street project creates the need to relocate the water lines, sanitary sewers or storm sewers, then this work is part of the construction project and needs to be reported. Work on water lines or sewers that are not part of a street or road project would not need to be reported.

**Question: *If a county does day labor work in conjunction with a construction, reconstruction or improvement contract, but the cost of the day labor work is less than 90% of the bid threshold, does it need to be reported?***

Answer: Yes, if the total construction cost (contract cost plus day labor cost) is within 90% of the bid threshold. If the county provides materials to the contractor for the project, the material cost should be reported. If the county lends or rents equipment to the contractor because the

contractor's equipment broke down during the project, this equipment cost would not need to be reported.

**Question: *Do the engineering or right-of-way costs need to be reported?***

Answer: No, the total "construction" cost of the project is what needs to be reported. This is the final project cost to construct it, whether it is by contract, day labor, or both.

**Question: *What happens if a project's final cost is over the estimate?***

Answer: In most cases nothing will happen. If a county has a history of under estimating its day labor costs and the final construction costs normally comes in over the bid threshold, then the Iowa DOT may point out the Code of Iowa requirements and the need to be more accurate in estimating the project's cost.

**Question: *When should a project be reported?***

Answer: Report a project only when the project is complete and the final costs are known. If a project is let in one fiscal year, but doesn't get completed until the next fiscal year, then it won't be reported in the first fiscal year.

**Question: *Should a project that was let, awarded or began construction prior to July 1, 2002 be reported?***

Answer: No. Such a project would not need to be reported since it essentially began before the law was in effect.

**Question: *Does an emergency project need to be reported?***

Answer: Yes, if it involves construction, reconstruction or improvement work. If it involves repairing a road/street, bridge or culvert to its original condition, then it would not need to be reported since it is considered repair or maintenance. Keep in mind that some emergency county projects, whose estimates are less than \$100,000, may only require quotes per [Iowa Code Section 309.40A](#).

**Question: *When should a county make their estimate of doing the work by day labor known?***

Answer: This is not needed and the county should not be "bidding" against contractors as part of the public bid process. Counties are usually required to make an estimate of the project's construction cost as part of the bidding process. If the contractor's bids come in over the estimate, and the county thinks they can do the work for less than the lowest bid, the county can reject all bids and either re-let it or do the work by day labor. The final construction day labor costs should come in under the lowest bid, unless there are unforeseen reasons why it didn't.

**Question: *Is there a particular form needed to certify to the county auditor that the work has been done in accordance with the plans and specifications as required by Iowa Code Section 314.1?***

Answer: No, whatever form or format the county or city uses is fine.

**Question: *Does the county need to include state or federal-aid projects let at the Iowa DOT?***

Answer: Yes, all construction, reconstruction or improvement projects, no matter what funding is used or where they are let, need to be reported if they are within 90% of the bid threshold.

Iowa DOT administered projects on Primary Roads, where the county has some funds in them, do not need to be reported. If a county or two counties have a joint project, then the county taking the lead in the project should report it. Both counties don't need to report the project.

**Question: *What bid threshold should the county or city use when it changes in the middle of a fiscal year?***

Answer: The bid threshold at the beginning of the fiscal year will determine which projects should be reported. The need for a public letting would, of course, change in the middle of the fiscal year if the threshold changes.

**Question: *What is the bid threshold?***

Answer: The maximum estimated project cost after which a project must be bid. Any project estimated to cost equal or above that amount requires a public letting. Any project estimated to cost below that amount does not need to bid at a public letting.

**Question: *We have a contractor that agrees to do road work on several different city streets. Is each one of them considered a separate project?***

Answer: If the contractor agrees to do all of the road work under one contract, then all of the work done under that contract is considered only one project.

**Question: *How are labor costs and overhead defined?***

Answer: The labor costs include wages and fringe benefits such as insurance, IPERS, FICA etc. Overhead includes other indirect costs which are incurred for a common purpose and not readily assignable to a project or person. Overhead costs may include: heat for the buildings, storage space for equipment or supplies, and administrative costs such as accounting.

**Question: *Are projects paid out of construction the only ones that need to be reported?***

Answer: The type of work being done (construction or improvement vs. maintenance) not the source of funds, determines if a project should be reported. Examples: If a county was cleaning the silt out of the ditches along a road and putting the dirt on top of the road to bring it back up to how it was originally constructed, then putting rock on the top, the project would be maintenance, even if the cost was being paid out of the county's construction line item. If a county was regrading a road to get rid of some snow traps and constructed the road higher than it originally was, plus bought some right-of-way or had easements to knock down some high back slopes, then the project would be construction, even if paid for with maintenance funds. The same goes for resurfacing projects. Resurfacing a road with less than 2 inches of Hot Mix Asphalt (HMA) may show up as a construction expenditure, but it doesn't need to be reported on Sheet 14 since it would be defined as maintenance work.

**Question: *If a county did not use any day labor on any projects, does this form need to be filled out?***

Answer: All counties need to fill out this form. If there were no projects that meet the reporting criteria, check the box on the upper right corner of the form. If you had some construction, reconstruction or improvement work done by a contractor, you would fill in that area per the instructions.

**Question: *We have several pieces of equipment that we are purchasing using a lease/purchase option. Should those be reported as purchased or leased equipment?***

Answer: Show the equipment as a purchased item. Calculate what the final cost will be and use that as the purchase price.

**Question: *Does all of the county's or city's equipment need to be reported?***

Answer: In most cases no. The county's or city's self-propelled equipment and motorized, non-self-propelled equipment over \$5,000 should be reported if it is used for road, street, bridge or culvert construction or maintenance work. A mower used only maintenance mowing of roadsides, or equipment used exclusively for snow removal would not need to be reported.

**Question: *Do we only need to report equipment that is used on a project?***

Answer: All equipment meeting the criteria provided in this form's instructions should be listed, regardless of whether or not the equipment was used on a project.