

TENNESSEE COUNTY HIGHWAY OFFICIALS ORIENTATION

COOP 2022



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COUNTY GOVERNMENT STRUCTURE



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graph TD; Voters --> Electorate; Electorate --> Mayor; Electorate --> CLB; Electorate --> FeeOffices[Fee Offices]; Electorate --> HighwayCAO[Highway CAO]; Electorate --> PropertyAssessor[Property Assessor];
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ENTERING OFFICE



Oaths of Office
Article I, Section 1
T.C.A. § 9-16-111, §
54-7-108



Official Bond/Insurance
Minimum \$100,000
T.C.A. § 54-7-108



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INTERIM SUCCESSOR

1

CLB has up to 120 days to fill a vacancy

2

Assistant superintendent, chief foreman, administrative assistant, etc.

3

Highway Superintendent is responsible for making the designation in writing/on form to CLB.



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INTERIM SUCCESSOR


Elected highway board?

yes

File form with highway board chair and county clerk

no


File form with the CLB chair and county clerk



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PERSONNEL

Hire, oversee, and terminate employees.
Approve personnel policies and work times.
Have any personnel policies (and changes) reviewed by the county attorney before initiating.
Comply with FLSA, state and federal anti-discrimination laws and other applicable laws.





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PERSONNEL

```
graph TD; CAO[CAO is authorized to determine:]; CAO --- A[Total number of employees]; CAO --- B[Personnel policies]; CAO --- C[Hours of work]; CAO --- D[Job classifications]; CAO --- E[Salaries & wages within classifications];
```

CAO is authorized to determine:

- Total number of employees
- Personnel policies
- Hours of work
- Job classifications
- Salaries & wages within classifications

CLB may not set budget line items in such detail as to limit ability of CAO to set pay for highway personnel; however, pay must be within budget.

EQUIPMENT

Must perform complete inventory within 60 days of taking office and file report with CLB.

Must file an amended inventory every subsequent year by September 1st.

Must plainly mark all county highway equipment.

County mayor is obligated to examine inventories for compliance and may withhold funds until compliance is achieved.




EQUIPMENT

```
graph TD; CAD[CAD] --- A[Acquire most up-to-date inventory]; CAD --- B[Physically review equipment and vehicles]; CAD --- C[Compare VINs]; CAD --- D[Be sure it is identified as highway property]; CAD --- E[Locate and secure supplies and materials]; CAD --- F[Ascertain the internal controls over the inventory];
```


The diagram illustrates the equipment management process, starting with CAD (Computer-Aided Design) at the top. Below CAD, there are six boxes representing the steps: Acquire most up-to-date inventory, Physically review equipment and vehicles, Compare VINs, Be sure it is identified as highway property, Locate and secure supplies and materials, and Ascertain the internal controls over the inventory.

UT

ANNUAL WORK PROGRAM



In CUHL counties, CAO prepares and submits an annual work program to CLB and TDOT.
Under the CUHL, the CAO has control over the road system (construction and maintenance).
If under a private act, check your private act for annual work plan requirements.



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CONTROL OVER THE ROAD SYSTEM

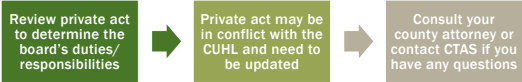


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graph TD; CAO[CAO] --- location[location]; CAO --- relocation[relocation]; CAO --- construction[construction]; CAO --- reconstruction[reconstruction]; CAO --- repair[repair and maintenance];
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INTERACTION WITH HIGHWAY BOARD



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graph LR; A[Review private act to determine the board's duties/responsibilities] --> B[Private act may be in conflict with the CUHL and need to be updated]; B --> C[Consult your county attorney or contact CTAS if you have any questions];
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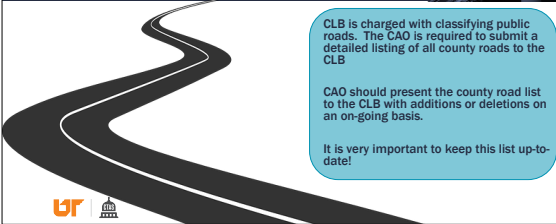
REMOVING ROAD OBSTRUCTIONS



CUHL authorizes the CAO to remove or cause to be removed any gate, fence or other obstruction from the county roads, bridges and rights-of-way.

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COUNTY ROAD LIST



CLB is charged with classifying public roads. The CAO is required to submit a detailed listing of all county roads to the CLB

CAO should present the county road list to the CLB with additions or deletions on an on-going basis.

It is very important to keep this list up-to-date!

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ROAD LIST SHOULD INCLUDE:

Type of road (county or state-aid)	State-aid road description (only for counties in the state-aid road system)	Local name of road	Beginning and end of road (reference to geographical features)
Miles (length to nearest 1/10 of a mile)	Class (classify according to width as set out by T.C.A. § 54-10-103 & § 54-10-104)	Right-of-way width (in feet)	Roadbed width (in feet)

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CLOSING ROADS

Procedures may vary from

- We recommend consulting with the county attorney to review local procedures before closing any county roads.

CLB must approve additions/



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ALTERNATIVE PROCEDURE FOR CLOSING A COUNTY ROAD

Submit application to CAO

Public notice provided to interested parties

CAO makes recommendation to regional planning commission

Planning commission gives appropriate notice

Planning commission recommends to CLB

CLB votes to close road

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ALTERNATIVE PROCEDURE WITHOUT A PLANNING COMMISSION

Submit application to CAO

Public notice provided to interested parties

CAO makes recommendation to CLB committee

CLB committee gives appropriate notice

CLB committee recommends to CLB

CLB votes to close road

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WEIGHT LIMITS

Procedure to Lower:

- CLB can lower weight limits on county roads
- 2/3 majority vote
- Must use same criteria as TDOT

"where, through weakness of structure in either the surface of or the bridges over the lateral highways or secondary roads, the maximum loads provided by law, in the opinion of the commissioner [CLB], injure or damage the roads or bridges."



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UNDERGROUND UTILITY DAMAGE PREVENTION ACT



Must notify one-call service at least 3 days prior to excavation.

Exceptions:

- Routine maintenance
- Emergencies

Violations separate from civil liability for damage to utilities

Penalties: mandatory training (at your cost) and fines.



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ROW REGULATION

Counties are authorized to regulate their rights-of-way

CLB can enact regulations and require permits

If duly enacted by the CLB, can assess civil penalties for violations



[CTAS website > Reference Materials > Sample Resolutions](#)

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ROAD DAMAGE



Criminal offense to damage

- Class A misdemeanor and jail or fine up to \$2,500

Civil action for damage

Reward (\$250) for information that leads to conviction



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PRIVATE WORK & USE OF EQUIPMENT


PROHIBITED:

Law generally prohibits use of county highway department equipment or materials for any other purpose

Work on private roads or for private purposes is forbidden

Rock, crushed stone, or other road material cannot be sold or given away

Employees using equipment or material for personal use are to be discharged immediately



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Exceptions

☐ Board of education or postal authorities

☐ Interlocal agreements

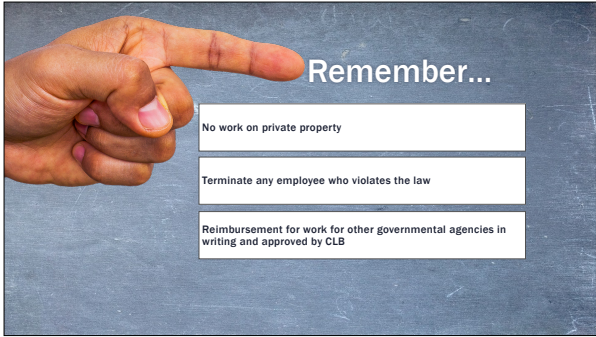
☐ Transfer from other county department

☐ Joint purchasing agreements

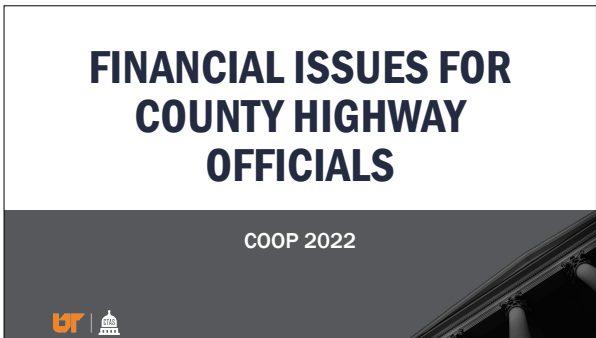




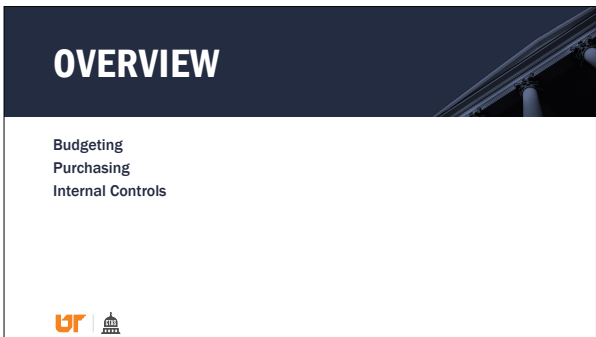
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LEGAL AUTHORITY FOR BUDGETING

General Law

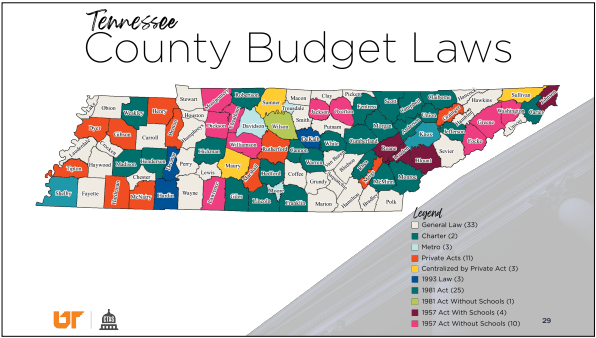
Private Act

'81 Act
'57 Act
'93 Law

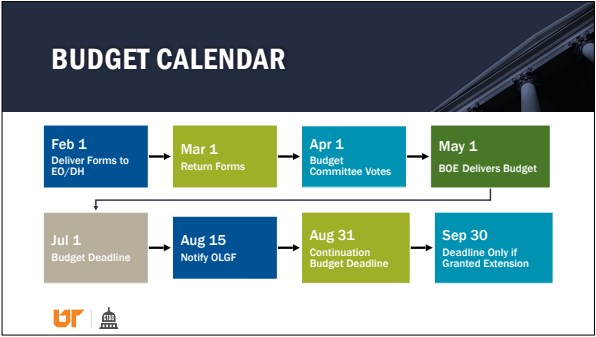
Charter/Metro

County Technical Assistance Service
 INSTITUTE FOR PUBLIC SERVICE

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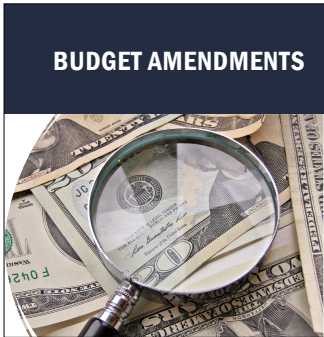
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BUDGET PROCESS




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BUDGET AMENDMENTS


- Made prior to any expenditure of funds, unless there is a health or safety emergency.
- Instruction of how and when the budget can be amended needs to be understood.
 - Three methods:
 - County Legislative Body
 - County Mayor (Except Personnel Costs) – Reported to CLB
 - Budget Committee – Reported to CLB
 - Alternative methods cannot be used to approve amendment previously rejected by the CLB.
 - Local laws/resolutions may provide for additional alternatives.

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MAINTENANCE OF EFFORT

- Board of Education
- Sheriff's Office, Including the Jail
- Highway Department
- Administrator of Elections
- Public Library
- Assessor of Property
- 911 Board



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HIGHWAY SOURCES OF REVENUE

FY20-21 Highway Fund Revenue: \$428,094,595

- Property Taxes: 17.97%
- Local Option Sales Tax: 3.14%
- Wheel Tax: 6.52%
- Mineral Severance Tax: 1.35%
- Bridge Program: 4.78%
- State Aid Program: 5.97%
- Gasoline and Motor Fuel/Petroleum Special Tax: 54.66%
- All Others: 5.61%



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TAKING OFFICE - BUDGET RECOMMENDATIONS

1

Review Adopted Budget

2

Review Five-Year Average
(Highway MOE)

3

Perform Cash Flow Analysis



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THREE PRINCIPLES OF PURCHASING

Maximization of Competition

- Specifications are written to allow the purchasing process to be as open as possible to a number of qualified vendors.

Equal and Fair Competition

- Each vendor is provided the same information regarding product or service needs/ specifications.

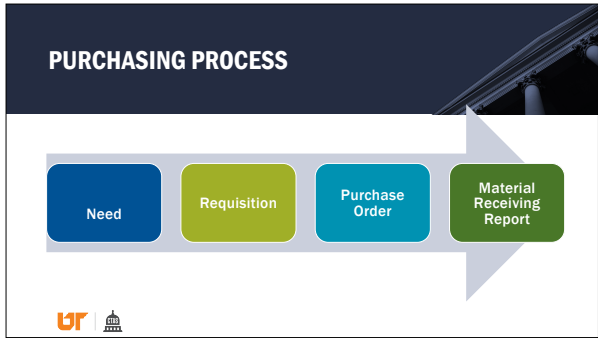
Best Value at the Lowest Price

- The purchase must be made at the lowest price for the product or service that best meets the needs of the requisitioner.

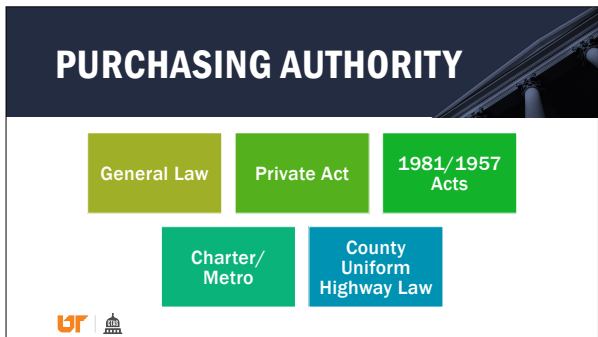


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METHODS OF PURCHASING

Informal Quotes
Competitive Sealed Bids/Proposals
- ITB/IFB/RFP
General Law - \$25,000
CUHL - \$25,000
Centralized w/ Full-Time Purchasing Agent - \$50,000
Request for Qualification (RFQ) - Professional Services

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SPECIFIC PURCHASING ISSUES

Secondhand Purchases <ul style="list-style-type: none"> • Private Purchase • Government Entity 	Cooperatives <ul style="list-style-type: none"> • Joint-Bid • Piggyback 	Emergency Purchases
Sole Source	Disposition of Surplus Property	Purchase of Fuel



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WHAT ARE INTERNAL CONTROLS?

A process effected by an entity's oversight body, management, and other personnel that provides reasonable assurance that the objectives of an entity will be achieved.





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T.C.A § 9-18-102(A)

Comply	Obligations and costs are in compliance with applicable law
Safeguard	Funds, property, and other assets are safeguarded against waste, loss, unauthorized use, or misappropriation;
Record	Revenues and expenditures are properly recorded and accounted for to permit the preparation of accurate and reliable financial and statistical reports and to maintain accountability over the assets.

Law went into effect **June 30, 2016!**



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WHY DO COUNTY GOVERNMENTS NEED INTERNAL CONTROLS?

1
Reduce fraud & waste

2
Ensure legal, regulatory, & policy compliance

3
Protect county assets

4
Promote transparency & accountability



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The Fraud Triangle:

A framework for spotting high-risk fraud situations

Pressure
Financial or emotional force pushing towards fraud

FRAUD

Opportunity
Ability to execute plan without being caught

Rationalization
Personal justification of dishonest actions

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FRAUD DETECTION



External auditors (performing routine annual audits) detect less than 5% of identified occupational fraud.

More fraud is identified by accident or through anonymous tips than by the external annual financial and compliance auditors.

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2020 ACFE REPORT TO THE NATIONS STATISTICS:

Just 4% of fraudsters had prior criminal convictions for fraud related crimes.
Median duration of the frauds in the study was 14 months.

- 71% lasted at least 2 years before they were discovered.

9% of employees committed fraud in their first year of employment.
Largest frauds were perpetrated by individuals employed over 10 years.

- Majority of all frauds committed by individuals employed over 5 years.

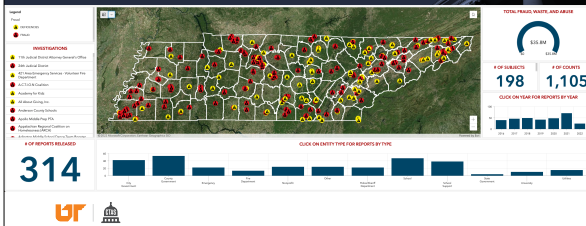
Males committed 72% of reported cases with a median loss of \$150,000
Females committed 28% of reported frauds with median losses of \$85,000
64% of fraudsters had a BS or higher university degree

- Median loss \$195,000



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COMPTROLLER'S OFFICE INVESTIGATIONS



WRAP UP

Congratulations!

Welcome to county government!



COUNTY OFFICIALS ORIENTATION PROGRAM 2022

08/22/2022

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