

Street Financial Report - Frequently Asked Questions

General Questions of the City Street Financial Report

Question: Do you need to have your SFR published?

Answer: It is **NOT** required by the Iowa DOT, however, it may be required by your city council.

Question: Can you get an extension on when your SFR is due?

Answer: **NO.** Iowa Law requires your SFR to be received by September 30. If it is not received by September 30, your money will be held until your SFR has been received, up to December 31. After that, you will lose the money. No extensions are given.

Question: Who do I contact if I have questions covering the city's RUT checks?

Answer: Tracey Feldotto at the State Treasurer's Office in Des Moines, 515-281-7311.

Question: What account should you keep the money received from Transfer of Jurisdiction Fund?

Answer: The money is intended for maintenance of the road and the city will be responsible for maintaining that road, so the money must be put in an account that is used only for road purposes.

Question: The city's SFR is not completed and turned in by September 30, what happens?

Answer: On the first of every month, after September 30, a certified letter is sent to the Mayor informing them that the SFR for the city has not been received and that the city's RUT money will be held until the completed SFR is received by the Iowa DOT.

Question: The SFR is completed but won't be approved by the city council until after September 30, how will this effect our monthly RUT payments?

Answer: If the SFR is completed send a copy of the SFR, but not the cover page to the Iowa DOT. Once the SFR has been approved by the city council, send in the cover page with the resolution number noted on it, by the signature. Then there will be no delay on the monthly RUT payments.

Cover Sheet of the City Street Financial Report

Question: With completing the report on-line how do I provide the signature for the mayor and city clerk? Do I mail that page in with the signature?

Answer: Do not send in the paper page with the actual signatures, with filing on-line you can type in the names.

Summary Statement of the City Street Financial Report

Question: Can you invest RUT monies?

Answer: Yes, but continue to show principal amount in Column 1. Do not deduct the investment amount from Column 1.

Question: Can you use Road Use Tax money for a maintenance building?

Answer: You can use RUT money for the portion used to house maintenance equipment. If using RUT money, show in Column 1 as maintenance.

Question: Where do you show money received for transfer of jurisdiction roads?

Answer: Transfer Jurisdiction (TJ) Fund receipts (applicable only for those cities that received transfers as per senate file 451) should be shown in Column 1, Line B.2 (Transfer Jurisdiction Fund) See definition on page 21.

Question: Where do you show Tax Increment Financing (TIF) monies received?

Answer: If being used for road purposes, it is shown in Column 2 as miscellaneous code #195 Tax Increment Financing (TIF).

Question: With the new form changes where do I put the some expenses the are no longer on a line item of their own: street lighting, trees, and sidewalk expenses?

Answer: If it is a maintenance expense it is included with the Roadway Maintenance on line D.1. If it is an expense from construction then it will be included in the Street/Bridge Construction expense on line E.3.

Question: Where do I place the maintenance expense storm sewers, traffic services and street cleaning?

Answer: Those expenses have been included in the Roadway Maintenance expense on line D.1.

Miscellaneous Revenues and Expenses of the City Street Financial Report

Question: Can you show RUT money transferring to capital projects?

Answer: **NO.** All RUT expenses **must** be shown, broken down, in Column 1.

Question: How do I show transfers?

Answer: Transfers are not to be shown on this report. Need to show what revenue paid for what expense. Example: TIF paid for maintenance, select the TIF code 195 put amount in Column 2 and show the expense on the "Summary Statement Sheet" on line D.1 column 2 maintenance expense to show that TIF paid for that expense shown there.

Bonds/Loans of the City Street Financial Report

Question: Where do you show NEW bonds and loans on the SFR Bonds/Loans?

Answer: Under the column titled, "Issue Amount".

Question: What amount do I report, we got a bond for \$100,000. \$60,000 is for road/street purpose the remaining amount is not for road/street purpose.

Answer: You only show the amount for road/street purpose. So you would only be reporting the \$60,000.

Question: The bond amount has changed from what was first reported, how do I report the new changed amount?

Answer: Change the bond amount in the "Issue Amount" and in the "Balance as of 7/1". You must explain this change on the "Explanation Page" or the change will not be allowed.

Question: Have a new bond that has also paid off an old bond that had been reported, how does the old bond get removed from the report?

Answer: When reporting the new bond, make sure and show the old bond and the remaining balance being paid off on both the "Bonds, Notes, and Loans" Sheet and the "Summary Statement Sheet" page in the Principal Paid on line J.1.

Project Final Costs of the City Street Financial Report

Question: Does every city have to fill out forms SFR Project Final Cost and SFR Road/Street Equipment Inventory?

Answer: Yes, the Iowa League of Cities did try to exempt cities under a certain population, but it did not get out of the legislative subcommittee. In most cases small cities that only do maintenance type work or have maintenance type projects will only need to check box at the top of the page on the Statement of Final Costs (Form SFR Project Final Cost). These small cities will usually only have a few pieces of equipment (self-propelled or motorized, non-self propelled over \$5,000) to report on the Road / Street Equipment Inventory (Form SFR Road/Street Equipment Inventory).

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 either the city clerk (for city projects) or the county auditor (for county projects) 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 city or 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. If the city were doing work on water lines or sewers that are not part of a street project, then that work would not need to be reported.

Question: If a city does work with it's own employees in conjunction with a construction, reconstruction or improvement contract, but the cost of the city labor, materials, and equipment 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 city's labor, materials, and equipment cost) is within 90% of the bid threshold. If the city provides materials to the contractor for the project, the material cost should be reported. If the city 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: Does 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 or city 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 city make their estimate of doing the work by their own labor known?

Answer: This is not needed and the county or city should not be "bidding" against contractors as part of the public bid process. Cities are usually required to make an estimate of the projects construction cost as part of the bidding process. If the contractor's bids come in over the estimate, and the city believes they can do the work for less than the lowest bid, the city can reject all bids and either re-let it or do the work themselves. The final construction city 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 city clerk/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 city or 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 city has some funds in them, do not need to be reported. If a county and city or two counties or two cities have a joint project, then the county or

city taking the lead in the project should report it. Both counties or cities 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 SFR Project Final Costs since it would be defined as maintenance work.

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

Answer: All cities and 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.

Road/Street Equipment Inventory of the City Street Financial Report

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 street sweeper would be reported, but a mower used only in the parks, 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.

Question: We have a truck that has a snow blade on it that is used only for snow removal, we do not need to report this correct?

Answer: If the blade can be removed from the truck and the truck used for other purpose yes it is considered a multipurpose vehicle it needs reported.