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July 19, 2013

Mr. Mark R. Alger, County Administrator
Members of the Legislature
County of Steuben
3 East Pulteney Square
Bath, NY 14208

Report Number: S9-13-1

Dear Mr. Alger and Members of the Legislature:

A top priority of the Office of the State Comptroller is to help officials manage their resources efficiently and effectively and, by so doing, provide accountability for tax dollars spent to support operations. The Comptroller oversees the fiscal affairs of local governments statewide, as well as compliance with relevant statutes and observance of good business practices. This fiscal oversight is accomplished, in part, through our audits, which identify opportunities for improving operations and governance. Audits also can identify strategies to reduce costs and to strengthen controls intended to safeguard assets.

In accordance with these goals, we conducted an audit of eight counties throughout New York State. The objective of our audit was to determine whether counties are properly maintaining bridges to ensure the safety of those who travel on them. Included in this, we determined whether counties have a plan in place to prioritize bridge maintenance and replacement needs. Additionally, we questioned whether the counties have consistently provided funding for maintenance and repairs of bridges and, if so, whether bridge ratings are improving. We included the County of Steuben (County) in this audit. Within the scope of this audit, we examined the County's policies and procedures and reviewed the maintenance and funding of bridge repairs and the recent New York State Department of Transportation (NYSDOT) ratings of County-owned bridges for the period January 1, 2007, to December 31, 2011. We also reviewed financial data and inspections for the period January 1, 2002, to December 31, 2006, to gain additional understanding of the condition of the bridges.

This report of examination letter contains our findings and recommendations specific to the County of Steuben. We discussed the findings and recommendations with County officials and considered their comments, which appear in Appendix A, in preparing this report. County officials agreed with our findings and recommendations and indicated they planned to initiate corrective action.

Summary of Findings

Although the County has not developed a written plan for bridge maintenance and repair, it has taken action in recent years to improve and maintain bridge ratings. The Department of Public Works (DPW) has implemented an informal plan to rehabilitate or replace six bridges per year, rather than addressing only those issues raised by the NYSDOT. During the audit period, the County maintained average bridge ratings and a consistent level of funding for bridge maintenance, repairs, and replacements.

The County also received a relatively consistent number of flags from the NYSDOT, with an average of 77 flags per year over the years reviewed. We tested a sample of the flags issued during the last five years of our audit period to determine if the County complied with the NYSDOT's response and action requirements. Of the 108 flags we tested, the County responded in a timely manner for all flags.

Background and Methodology

The County covers 1,390 square miles and has approximately 99,000 residents. The County's budgeted expenditures totaled \$186 million in 2012; major costs included economic assistance, general government support, and transportation. These costs were funded primarily by property taxes, departmental income, sales tax, and State and Federal aid.

The County is governed by a 17-member County Legislature (Legislature). The County Administrator is the chief executive officer and is responsible, along with other administrative staff, for the County's day-to-day management. The DPW is responsible for the maintenance and monitoring of bridges and includes a professional engineer who is directly involved with the oversight of bridges. The DPW's operating budget was \$20.6 million for the 2012 fiscal year. The DPW is responsible for the maintenance and repair of approximately 190 County-owned bridges and 157 town- and village-owned bridges.¹ The County is fiscally responsible for the maintenance of County-, town- and village-owned bridges; only a portion of related costs are charged back to the local municipalities.²

The NYSDOT requires that all highway bridges be inspected at least every two years, with certain bridges inspected annually if they are determined to be deficient. The inspections are performed by the NYSDOT inspectors and include an assessment of a bridge's individual parts and an evaluation, resulting in an overall condition score for a bridge. The NYSDOT issues a numeric rating of 1 to 7, with a rating of 5 or greater considered "in good condition." A rating of less than 5 is considered "deficient" and indicates that corrective maintenance or rehabilitation must be conducted to restore a bridge to a "non-deficient" condition. A rating of less than 5 does not necessarily mean that a bridge is unsafe, but highlights bridges that should be considered for further review and maintenance, repair, rehabilitation, or replacement. If a bridge is deemed unsafe, it is required to be closed to all traffic.

In addition to numeric ratings, the NYSDOT can issue one or more flags on a bridge, indicating a clear and present danger or a condition that would result in a clear and present danger prior to

¹ The County does not have responsibility for bridges in the cities of Corning and Hornell.

² Per County policy, the local municipalities are responsible for the paving of the bridges.

the next scheduled inspection. There are three levels of flags: safety, yellow, and red. A safety flag represents a danger to vehicles or pedestrians, but no threat to the structural integrity of the bridge. A yellow flag represents a potentially hazardous structural condition which, if left unattended, could become a clear and present danger before the next scheduled inspection. The highest level of flag is red, indicating a failure or potential failure of a primary structural component of the bridge that is likely to occur before the next scheduled inspection. Additionally, the NYSDOT can issue a notice that prompt, interim action is required after issuance of a red or safety flag, indicating there is an extreme situation that requires a response within 24 hours. All of these flags require prompt acknowledgement³ by the responsible government and prompt action, ranging from correcting the safety issue to closing the bridge. A State-certified professional engineer is required to certify any repairs made in response to both the yellow and red flags.

To complete our audit objective, we conducted interviews with County officials and reviewed adopted policies and procedures. We also reviewed the most recent 10 years of bridge inspection reports and corresponding years' budgets and actual expenditures. We reviewed available documentation addressing responses to notification of flags on bridges for the most recent five years. We conducted our audit in accordance with generally accepted government auditing standards (GAGAS). More information on such standards and the methodology used in performing this audit is included in Appendix B of this report.

Audit Results

Counties have a responsibility to taxpayers to ensure that public roadways, including bridges, are properly maintained and repaired. The failure to provide regular maintenance and needed repairs represents a hazard to the public and a potential liability to a county.

Due to the high costs of materials and limited financial flexibility, it is important that the County have a plan for both maintaining and repairing bridges. An established bridge maintenance and repair plan should include a mechanism for determining when and which bridges should be repaired and/or replaced. The County should ensure that the plan is sufficiently funded and feasible for the County to execute. Annual budgets for bridge repairs, replacement, and maintenance should be based on realistic expectations of expenditures. In addition, the DPW should ensure that it complies with the NYSDOT requirements for responding to flags.

While the County does not have a written plan in place, it has implemented practices that have served to improve bridge ratings over an extended period of time and have maintained consistent ratings over the past 10 years. The County has reduced the number of deficient bridges in recent years, primarily by replacing and completely renovating six bridges each year. According to County officials, the estimated annual cost to complete the necessary work on six bridges is not based on any studies or physical inspections, so the actual costs typically come in under the estimates. County officials indicated that they do not have realistic estimates until they physically inspect and review each bridge, which does not happen until after they are required to provide the cost estimates to the Legislature.

³ This acknowledgement is considered overdue if it has been longer than six weeks since notification was issued.

In addition, County officials said that while they have budgeted funds for bridge replacements, they had not budgeted funds for bridge repairs or addressing the NYSDOT flags until the 2012 fiscal year. Prior to this, budgetary transfers were used to cover the costs of the bridge repairs after they occurred. Although the County did not budget for these repairs, we found that it operated within the limits of the adopted budgets for our audit period. Additionally, the County does not track all maintenance and repairs by bridge, unless the bridge is being completely replaced or rehabilitated. This practice could make it more difficult to calculate reasonable estimates in the future and could make it more difficult to determine when it is more economical to replace rather than repair a bridge.

During our audit period, the annual bridge expenditures remained relatively consistent, with any significant variations attributed to various projects. During the same period, the County’s average bridge ratings fluctuated slightly, averaging a “non-deficient” rating overall. Ratings ranged from less than 5 (considered deficient) to more than 5 (considered in good condition).

Year	Bridge Expenditures	Average Bridge Rating (Scale: 1 to 7)^a	Number of Bridges Inspected	Number of Deficient Bridges^b	Bridge Deficiency Percentage^c
2002	N/A ^d	5.74	70	19	27%
2003	N/A ^d	5.68	296	63	21%
2004	\$1,017,934	5.96	70	13	19%
2005	\$1,210,323	5.65	290	66	23%
2006	\$1,781,078	5.72	84	22	26%
2007	\$1,666,250	5.67	287	67	23%
2008	\$1,328,043	5.91	87	18	21%
2009	\$1,684,712	5.68	278	62	22%
2010	\$1,746,472	5.80	108	31	29%
2011	\$1,303,720	5.73	270	57	21%

a) The average is based on the NYSDOT computer-generated ratings for the bridges inspected during the year.
b) Number of inspected bridges each year that fell below a rating of 5.
c) The number of deficient bridges during the year divided by the number of bridges inspected during the year.
d) The County did not retain its financial records before 2004.

Due to the large number of flags issued, we chose a sample of flags issued during the last five years of our scope period to review for timely responses and/or action on behalf of the County. We reviewed a random sample of 108 flags issued by the NYSDOT for County-maintained bridges for the years 2007 to 2012. Of the flags reviewed, 52 (48 percent) were safety flags, 48 (44 percent) were yellow flags, and eight (7 percent) were red flags, with three of the red flags labeled as requiring prompt interim action. All 108 flags reviewed were addressed within the required timeframe.

Although the County was compliant with the requirements for flag responses, the lack of a formal plan for bridge maintenance and replacement creates a risk that future responses may not occur within the required timeframe. Future changes in staff or County priorities could affect the response time for flags if no formal plan and procedures are implemented.

Recommendations

1. The DPW should establish a written plan for bridge maintenance and replacement.
2. The DPW should record and monitor maintenance and repair work by bridge.

The Legislature has the responsibility to initiate corrective action. A written corrective action plan (CAP) that addresses the findings and recommendations in this report should be prepared and forwarded to our office within 90 days, pursuant to Section 35 of the General Municipal Law. For more information on preparing and filing your CAP, please refer to our brochure, *Responding to an OSC Audit Report*, which you received with the draft audit report. We encourage the Legislature to make this plan available for public review in the Clerk of the Legislature's office.

Our office is available to assist you upon request. If you have any further questions, please contact Ann Singer, Chief of Statewide Projects, at (607) 721-8306.

Sincerely,

Andrew S. SanFilippo
Executive Deputy Comptroller
Office of State and Local Government
Accountability

APPENDIX A

RESPONSE FROM COUNTY OFFICIALS

The County officials' response to this audit can be found on the following page.

Steuben County
Department of Public Works

County Office Building
3 E. Pulteney Square
Bath, New York 14810

Vincent Spagnoletti
Commissioner

Phone (607) 664-2460
Fax (607) 664-2167

March 26, 2013

Ms. Ann C. Singer, Chief Examiner
State Office Building - Suite 1702
44 Hawley Street
Binghamton, New York 13901-4417

Re: Report number S9-12-40

Dear Ms. Singer:

Thank you for your interest in Steuben County's bridge program. We appreciate the professional manner and courtesy of your audit staff.

1. Concerning your first recommendation: "The Department should establish a written plan for bridge maintenance and replacements."

We have a plan to construct and/or rehabilitate six bridges per year. This is a formula driven number used to determine our written three year plan, which is based on condition ratings. This was presented to the Public Works Committee and included in our annual reports. We will present this plan to the Public Works Committee for its formal approval.

2. Concerning your second recommendation: "The Department should record and monitor maintenance and repair work by bridge."

We record our construction costs per bridge. We will now record maintenance costs per bridge based on a monetary threshold and/or type of repair.

3. Concerning your statements: "...the County... has taken action in **recent** years to improve and maintain bridge ratings." "During the audit period, the County maintained **average** bridge ratings..."

Since 1992 we have reduced bridge deficiencies from 39% to **17%**. Statewide local governments have reduced bridge deficiencies from 51% to **37%**. NYSDOT reduced deficiencies from 34% to **33%**. Your statements misrepresent and do a disservice to the workers of our department who have significantly outperformed the rest of the state; as well as to the County Legislators and Administrator who have kept our County finances on a sound basis; thereby providing funding for our bridges.

Our deficient bridge ratings are 54% and 48% better than statewide figures. A fair and complete representation of our bridge program would reflect these facts. Thank you.

Very truly yours,

Vincent Spagnoletti
Commissioner

cc: Mark R. Alger, Steuben County Administrator

APPENDIX B

AUDIT METHODOLOGY AND STANDARDS

To complete our audit objective, we conducted interviews with County officials and reviewed adopted policies and procedures. We reviewed applicable guidance and information from the NYSDOT publications. We also reviewed the most recent 10 years of bridge inspection reports and the corresponding years' budgets and actual expenditures. We reviewed and documented a random sample of 108 flags issued during the last five years of our audit scope period to determine if the County complied with the NYSDOT's response and action requirements.

We conducted this performance audit in accordance with generally accepted government auditing standards (GAGAS). Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.