



THOMAS P. DiNAPOLI
COMPTROLLER

STATE OF NEW YORK
OFFICE OF THE STATE COMPTROLLER
110 STATE STREET
ALBANY, NEW YORK 12236

GABRIEL F DEYO
DEPUTY COMPTROLLER
DIVISION OF LOCAL GOVERNMENT
AND SCHOOL ACCOUNTABILITY
Tel: (518) 474-4037 Fax: (518) 486-6479

December 2017

Stephanie Miner, Mayor
Members of the City Council
City of Syracuse
233 East Washington Street
Syracuse, NY 13202

Report Number: S9-17-1

Dear Mayor Miner and Members of the Common Council:

A top priority of the Office of the State Comptroller is to help local government officials manage their resources efficiently and effectively and, by so doing, provide accountability for tax dollars spent to support government 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 six units (one authority and five cities) throughout New York State. The objective of our audit was to determine whether municipal parking structures are regularly inspected to identify repair needs and whether municipalities are ensuring repair needs are made. We included the City of Syracuse (City) in this audit. Within the scope of this audit, we examined the City's process for evaluating, monitoring and repairing parking structures for the period January 1, 2015 through July 26, 2016. This audit was conducted pursuant to Article V, Section 1 of the State Constitution and the State Comptroller's authority as set forth in Article 3 of the New York State General Municipal Law.

This report of examination letter contains our findings and recommendations specific to the City. We discussed the findings and recommendations with City officials and considered their comments, which are included in Appendix A, in preparing this report. City officials generally agreed with our recommendations and indicated they plan to initiate corrective action. At the completion of our audit of the six entities, we prepared a global report that summarizes the significant issues we identified at all of the entities audited.

Summary of Findings

The City contracts periodically with an engineering firm to perform structural condition surveys and assessments. The most recent survey was completed in April 2015, and the firm's opinion indicated that all five parking structures were adequate to remain open for a year. The surveys indicated no urgent repairs were necessary. However, the firm identified 11 issues that required immediate¹ attention. Eight identified issues were repaired or are in the process of being repaired. City officials told us they did not address the other three repairs because funding limitations required additional prioritization. City officials did not consider the repairs to be immediately necessary.

In addition, the City contracted for inspections of its nine operating parking structure elevators. The tenth elevator was not operational. All nine elevator inspections identified violations or comments on identified issues, with a total of 27 issues.

Officials told us they discuss the issues identified by the parking structure and elevator inspections and then determine how to proceed. However, they do not document their rationale for prioritizing repairs, projecting timelines or costs, and determining whether the repairs should be made with City employees or by bidding. In addition, officials do not maintain documentation for repair statuses.

Lastly, while City officials annually prepare a five-year Capital Improvement Plan (CIP), it does not specify the scope of future projects, or the projected costs and timelines. City officials told us the plan was intentionally vague to allow for ease in transferring money to different projects. However, the decisions made by City officials about which capital projects and inspection issues should be addressed would be more transparent to the Mayor, Common Council and community if the CIP contained specific project details, such as the scope of the project, and anticipated costs and timeframes. This information would help ensure a better understanding of the costs and benefits of adequately maintaining the City's capital assets.

Background and Methodology

The City is located in Onondaga County and has approximately 145,170 residents. The City is governed by a 10-member Common Council (Council), composed of a president and nine council members. The Council is the legislative body responsible for setting the City's governing policies. The Mayor is the chief executive officer and is responsible, along with other administrative staff, for the City's day-to-day management. The City's 2016-17 budget totaled \$696 million, which includes the Department of Public Works (DPW) budget of \$32 million. The DPW Commissioner oversees the parking structure operations.

The City owns and operates five parking structures² with approximately 4,240 spaces (Figure 1). Parking structure revenues totaled \$3.4 million in 2016.

¹ Immediate repairs are items that should be fixed as soon as possible. However, they are not considered an imminent threat.

² As of July 2016, the City owns but does not operate the Harrison Street garage. The City leased the garage to a private entity.

Figure 1: Parking Structures		
Name	Spaces	Year Built
Fayette Street Garage	571	1985
Harrison Street Garage	1,345	1992
Madison –Irving Parking Garage	532	1986
Mony/AXA Garage	560	1968
Washington Street Garage	1,230	1990

Parking structures are exposed directly to weather and other environmental conditions, such as extreme temperature changes, rain, snow, deicing salts, road grime and dampness, which directly influence their durability and have the potential to create performance problems. The potential severity of these problems will depend on the geographic location of the structure and local environmental conditions.

Municipalities have historically increased inspection mandates in response to parking structure failures. In 1998, the City updated its Property Conservation Code to require annual inspections of parking structures in response to the MONY garage collapse of 1994. This structure failure was the result of a 115-foot portion of the second level collapsing down to the first. Prior to the 1994 collapse, a 1988 study of the garage stated the need for millions of dollars in repairs. However, these repairs were neglected and never completed. As another example, in 2009 the City of Rochester implemented a parking structure maintenance program that strives to have each City-owned parking structure inspected every two years in response to the 2006 South Avenue structure collapse. This structure failure was the result of rust within the steel cable and post system that supported the ramp.

To accomplish our audit objective, we interviewed City officials, DPW employees and a representative of the engineering firm. We reviewed relevant laws, inspection letters and reports, work orders and bidding documents. We performed walk-throughs of City parking structures. We conducted this performance audit in accordance with generally accepted government auditing standards (GAGAS). More information on the standards and the methodology used in performing this audit are included in Appendix B of this report.

Audit Results

The City of Syracuse Property Conservation Code requires all parking structures to have a structural condition survey³ conducted annually for two consecutive years and a structural condition assessment⁴ every third year by a qualified professional structural engineer licensed in the State of New York, experienced in the design, restoration and rehabilitation of parking garages. In addition, the City requires the firm to indicate whether the parking structures are structurally stable. New York State Property Maintenance Code requires elevator inspections to be performed every six months by a qualified elevator inspector. Sound business practices include both long-term and short-term capital project planning, which serves to identify and prioritize anticipated needs based on a strategic plan.

Inspections – The City adopted a law requiring annual inspections of parking structures. However, it did not conduct annual inspections. Officials did contract periodically⁵ with an engineering firm to perform structural condition surveys and assessments. The most recent survey was April 2015, and the firm’s annual opinion indicated that all five parking structures were adequate to remain open for a year. The survey indicated no urgent repairs were necessary. However, there were 11 issues identified that required immediate⁶ attention.

We reviewed work orders and capital project bid documents to determine the status of the identified 11 repair issues (Figure 2). Eight identified issues were repaired or are in the process of being repaired. A DPW employee told us funding limitations required additional prioritization. City officials did not consider the repairs to be immediately necessary.

³ Condition survey reports are based upon an engineer's on-site field inspection of the parking garage.

⁴ Structural condition assessments are based upon an engineer's on-site field inspection and material testing of the parking garage, identifying any unsafe areas, and providing a comprehensive initial recommendation for all necessary repairs and further inspections and/or testing, and the time frame for performing them. Assessments must indicate whether the parking garage is structurally stable. Testing must include, but not be limited to, a sufficient number of destructive and nondestructive tests, such as chain dragging, coring, chloride testing or equivalent tests, to determine the parking garage’s structural condition.

⁵ Structural assessment December 2013, structural survey April 2015. There were no inspections from April 2015 – September 2016.

⁶ Immediate repairs are items that should be fixed as soon as possible. However, they are not considered an imminent threat.

Figure 2: Structural Condition Survey Immediate Issues Identified, April 2015		
Structure	Immediate Repair Issue	Repair Status
Fayette Garage	Roof Level Sealants	In Progress – Capital Project
Fayette Garage	Caulked Joints at Stair Towers	In Progress – Capital Project
Fayette Garage	Structural Steel Corrosion	In Progress – Capital Project
Fayette Garage	Metal Stairs	In Progress – Capital Project
Madison Irving Garage	Stair Towers	In Progress – Capital Project
Madison Irving Garage	Structural Steel Corrosion	Repaired Oct 2015
Madison Irving Garage	Asphalt Wearing Course Patching at Exposed Membrane Areas	Repaired Oct 2015
Mony/AXA Garage	Loose Overhead Concrete	Not Repaired
Mony/AXA Garage	Corrosion of Precast Steel Anchors	Not Repaired
Washington Garage	Aluminum Railing at Roof Level	Not Repaired – City officials did not consider this an immediate repair
Washington Garage	Fire Piping	Repaired February 2016

Elevators – Elevators are required to be inspected every six months by a qualified elevator inspector. Elevator inspection reports cite elevators as having violations and comments. When an elevator has a violation that results in it failing inspection, it is shut-down. Such violations resulting in failure can include elevators that will not set in the safeties. Elevators also can have violations that do not necessarily mean they failed inspection. The inspection report could list them as a pass with violations. For example, replace hoisting ropes due to reduction diameter. Inspections can also include comments for items that need to be repaired that are not as high risk as violations. For example, oil and water on the pit floor is not an elevator violation, but can be listed on the inspection report as a comment. In the event of a failing inspection or violations, repairs should be made to ensure public safety.

Unless elevators failed inspection, the inspection reports we reviewed did not contain sufficient detail to determine which repairs listed were violations or comments. Therefore, we grouped them together. The City’s parking structures have 10 elevators. One elevator is closed because repairs require significant capital outlay. We reviewed nine elevator inspection reports from May/June 2016 and found that none of the elevators were re-inspected within six months. Three elevators were re-inspected after eight months and six were re-inspected after six and a half months. Further, all elevators had violations or comments, with a total of 27 issues (Figure 3). Moreover, 10 issues from the May/June 2016 inspection were also identified in the October 2015 inspections. Officials told us they plan to issue a request for proposals for the elevator repairs. Without ensuring elevators pass required inspections, there is an increased risk to public safety.

Figure 3: Elevator Inspection Results		
Elevator Location	October 2015 Violations or Comments	May/June 2016 Violations or Comments
Fayette Garage Elevator 1	Emergency Phone	Emergency Phone
Fayette Garage Elevator 2	Emergency Phone	Emergency Phone
Fayette Garage Elevator 2	Oil Accumulation	
Harrison Garage Elevator 1	Emergency Phone	Emergency Phone
Harrison Garage Elevator 1	Lighting (2)	Lighting (2)
Harrison Garage Elevator 1	Fire Extinguisher	Fire Extinguisher
Harrison Garage Elevator 1		Suspension Rope (2)
Harrison Garage Elevator 1		Noise
Harrison Garage Elevator 1		Ventilation
Harrison Garage Elevator 2	Elevator Car Positioning (2)	Closed During Inspection
Harrison Garage Elevator 2	Lighting	
Madison Irving Garage Elevator 1		Suspension Rope
Madison Irving Garage Elevator 1		Fire Extinguisher
Madison Irving Garage Elevator 2		Suspension Rope
Madison Irving Garage Elevator 2		Key Switch
Madison Irving Garage Elevator 2		Elevator Car Positioning
Washington Garage Elevator 1	Emergency Phone	Emergency Phone
Washington Garage Elevator 1		Lighting
Washington Garage Elevator 1		Car Top Cleaning
Washington Garage Elevator 2	Emergency Phone	Emergency Phone
Washington Garage Elevator 2		Lighting (2)
Washington Garage Elevator 2		Car Top Cleaning
Washington Garage Elevator 3	Emergency Phone	Emergency Phone
Washington Garage Elevator 3		Lighting
Washington Garage Elevator 3		Door Closing
Washington Garage Elevator 4	Emergency Phone	Emergency Phone
Washington Garage Elevator 4		Key Switch

Documenting Decisions – Decisions made by City officials about which capital projects and inspection issues should be addressed would be more transparent to the Mayor, Common Council and community if the CIP contained specific project details, such as the scope of the project, and anticipated costs and timeframes. This information would help ensure a better understanding of the costs and benefits of adequately maintaining the City’s capital assets.

Officials told us they discuss the identified issues and determine how to proceed. However, there is no documentation to support how officials prioritized the identified repairs, projected timelines or costs, or determined whether the repairs were to be made with City employees or through competitive bids. A DPW employee told us he will send work orders to a DPW Supervisor for repairs to be made by City employees or will go to the Common Council to request appropriations for vendor repairs. He also told us he usually visits each garage weekly to monitor garage conditions and check on repairs. However, he did not keep a log of the repairs he requested or

whether they were completed. Instead, he monitors repairs by observations. As a result, there is no documentation to support City officials' decisions or the current status of repairs.

Capital Planning – Sound business practices include both long-term and short-term capital project planning. Such planning serves to identify and prioritize anticipated needs based on a strategic plan. Effective capital project plans establish a clear project scope accompanied by detailed estimates of costs and timelines for project phases and final completion. Such planning not only establishes an entity's capital project needs, but also helps establish overall budgetary control. Often, long-term capital plans range from three to five years and are supplemented by annual plans that distinguish short-term from long-term needs. Also, capital program plans should have the flexibility to address unexpected situations, including those impacting the health and safety of City staff and garage patrons.

On an annual basis, City officials prepare a five-year CIP that includes planned spending on capital projects, including parking structures. City officials could not provide documentation for anticipated future projects, such as a project scope, estimated costs and timeframes. Officials told us the CIP does not identify specific projects so that they can identify projects as needed. The lack of proper planning for specific projects leaves the City at risk of not having sufficient resources available to address necessary repairs.

Recommendations

City officials should:

1. Ensure parking structures are inspected annually, as required by law.
2. Ensure operational elevators are inspected, as required, and meet minimum code requirements.
3. Document the evaluations, priorities and dispositions of identified needed repairs and update as necessary.
4. Ensure annual CIPs provide detail of each project's need/justification, timeframes for starts and completions, and project cost estimates.

The Council 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 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 Council to make this plan available for public review in the Clerk's office.

We thank City officials and staff for the courtesies and cooperation extended to our auditors during this audit.

Sincerely,

Gabriel F. Deyo
Deputy Comptroller

APPENDIX A

RESPONSE FROM CITY OFFICIALS

The City_officials' response to this audit can be found on the following pages.



DEPARTMENT OF PUBLIC WORKS

Stephanie A. Miner, Mayor

July 31, 2017

Mr. Gabriel F. Deyo, Deputy Comptroller
Division of Local Government and School Accountability
State of New York Office of the State Comptroller
110 State Street
Albany, New York 12236

Mr. Deyo,

On behalf of the City of Syracuse (hereafter "City"), I wish to offer our gratitude to the Office of the State Comptroller (hereafter "OSC") and staff for reviewing the public parking facilities in the City. We appreciate the time and thoughtfulness exhibited throughout the process and thank the OSC for producing a draft report; we also look forward to your final report. We understand the objective of this audit was to determine whether municipal parking structures are periodically inspected to identify repair needs and whether municipalities are ensuring repair needs are made. We also understand the scope of your audit to cover the period of January 1, 2015 through September 30, 2016. Your draft report S9-17-1 contains the findings and recommendations specific to the City, as observed during this audit period. This letter shall serve as the official audit response from the City in response to your draft report, findings and recommendations.

The City generally agrees with the draft audit findings and recommendations but does wish to note that ten months have elapsed since the close of the audit period. The City does not dispute the conditions or findings outlined in the draft, as we believe that the OSC has fairly detailed and correctly noted the conditions in the facilities as of September 30, 2016. That said, in the time since, new structural condition assessments have been completed, many of the in-progress repairs have been completed and capital funding has been made available to address others. We continue to make progress toward improving the overall conditions of our facilities and improving our administrative functions and processes. Your audit will assist us in that effort.

As it relates to the objective of the audit, the City does periodically inspect facilities and creates plans to ensure repairs are made. The City contracts with qualified professional engineering firms to perform regular structural condition assessments and then provide written reports to the City outlining the findings of those inspections. These reports outline structural defects and other engineering-related concerns which are in need of being addressed. The Department of Public Works, in close coordination with the City's Division of Engineering and the outside engineering firm, generate plans to address those defects in a prioritized manner, using available funds.



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The City acknowledges the most recent engineering reports available at the time of field work were dated April 2015. In those reports, eleven repair issues were listed as immediate and the summary chart "Figure 2" correctly identifies the repair status as of September 30, 2016 – the end date for the audit scope. As stated before, however, in the time since, many of these conditions have improved, most are now completed, and new engineering reports are now available.

The OSC draft audit identified a number of issues with elevator operation in the public parking structures. The City acknowledged these issues and concerns during the field work by OSC staff and had previously identified elevator modernizations as needed repairs. Funding for these upgrades was explicitly outlined in recent capital improvement plans. Since the OSC and City met for field work, the City has received authorization to bond for \$1,500,000 for the design and modernization of the elevators at all facilities. These modernizations will overhaul the elevator systems in the public parking garages, bringing them in compliance with all applicable codes and ensure the public safety. It is anticipated this work will take place in 2018.

As it relates to elevator inspections, the City maintains a contract with a qualified elevator inspection company to inspect elevators every six months, as per requirements. These inspections are required to be witnessed by a third party. The City's elevator maintenance company, with whom the City also maintains a contract, is the third party who witnesses these inspections. Occasionally, the inspection company has difficulty scheduling inspections with the elevator maintenance company, resulting in inspections occurring beyond the six month requirement. The City acknowledges this and will work with our inspection and maintenance companies to schedule these in a timely manner in the future.

The City also wishes to clarify that when projects are identified for repair, the City makes a determination if the project can be completed in house by City skilled trades professionals, or if the scope is larger than can be undertaken by those employees and requires a formal bid. Projects such as replacement of drainage pipes, repairs to masonry, electrical projects and painting is often done in-house, avoiding the need for costly and timely engineering designs and bidding. Whenever possible, the City prefers to complete these projects in-house, to enjoy these cost savings and timeliness. Larger scale projects, mostly capital in nature, are most always designed and bid out through the normal procurement process. In short, it can be said repairs and maintenance are done in-house and construction and re-construction is sent out for bid. The City does recognize the value in delineating this process and making a more formal policy.

And finally, while we agree that more transparency in capital improvement plans offers the public, decision-makers and other stakeholders more information about the "specific project details, such as the scope of the project, and anticipated costs and timeframes", we also note that your report

John M. "Pete" O'Connor III
Commissioner

John Hudson
Acting Deputy Commissioner



Martin E. Davis, L.S.
Deputy Commissioner

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specifically states that capital programs should "have the flexibility to address unexpected situations." The City believes their capital programs have the proper mix of specificity and flexibility but will seek to identify specific repair needs and offer additional project details in future capital improvement planning.

Again, we thank the OSC for their review of our facilities and for the suggestions for improvement, both structurally and administrative. We look forward to the Final Report and will prepare a full Corrective Action Plan upon receipt of that Final Report.

Thank you for your time and consideration.

Sincerely,

John M. O'Connor III
Commissioner

APPENDIX B

AUDIT METHODOLOGY AND STANDARDS

To achieve our audit objective and obtain valid evidence, we performed the following procedures:

- We reviewed the Regulations set forth by the City of Syracuse Property Conservation Code, the Regulations set forth by New York State's 2010 Property Maintenance Code, General Municipal Law and the 2010 Fire Code and applicable policies and procedures.
- We interviewed City officials and a representative from the engineering firm to determine the parking structure inspection and repair processes.
- We performed walk-through observations of parking structures.
- We reviewed parking structure inspection reports and letters.
- We obtained work orders, contracts and bidding documents to determine whether identified repairs were made or scheduled to be repaired.
- We reviewed the 2015-16 Capital Improvement Plan for reasonableness and documentation to support anticipated projects.

We conducted this performance audit in accordance with 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 objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.