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December 2017

Svante Myrick, Mayor
Members of the Common Council
City of Ithaca
108 E. Green Street
Ithaca, NY 14850

Report Number: S9-17-4

Dear Mayor Myrick 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 to ensure public safety. We included the City of Ithaca (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 November 10, 2016. We extended the scope of our audit back to the 2007 fiscal year for structural inspections. 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

Parking structures in the City do not have regular structural inspections by firms experienced in structural inspections. Instead, City officials contract for structural inspections of parking structures when they deem necessary. The City is currently engaged in an inspection of two sections of the Green Street Garage and was unable to provide us with an inspection report for the Seneca Garage that had recently had significant work completed. A Department of Public Works (DPW) employee told us that they decide to have outside engineers conduct structural inspections based on the lapse of time since engineers last visited. However, there is no plan to inspect each structure within a certain time frame, and there is no documentation to support how or why employees determined when to bring in outside engineers. In addition, officials do not maintain documentation of which structures have been inspected or the results.

The City contracted for parking structure elevator inspections in 2016. The inspections indicated one elevator passed inspection and two elevators had six violations or comments on identified issues. The City repaired five violations or comments.

Lastly, we found the Capital Improvement Plan (CIP) is not supported by structural inspections. The lack of consistent documented inspections prevents the CIP from ensuring it addresses all structural repairs. A more appropriate CIP would rely on the findings from consistent documented inspections.

Background and Methodology

The City is located in Tompkins County and has approximately 30,010 residents. The City is governed by an elected 11-member Common Council (Council), composed of a Mayor and 10 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 budget totaled \$54.3 million, which includes the Parking Department budget of \$2.9 million. The Parking Department is a sub department of the DPW, and is responsible for overseeing parking structures' day-to-day operations. The DPW assists the Parking Department by planning and overseeing larger repairs that are generally financed through capital projects. The Parking Department is overseen by the Director of Parking.

The City owns and operates three parking structures with approximately 1,050 spaces (Figure 1). Parking structure revenues totaled \$1.6 million in 2016.

Figure 1: Parking Structures		
Garage Name	Spaces	Year Built
Dryden Road Garage	217	1987
Green Street Garage	381	1975
Seneca – Tioga Street Garage	451	1975

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. For example, in 1998, the City of Syracuse 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 Parking Department employees. We reviewed relevant laws and draft structural report and elevator inspection reports. 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

Good business practice dictates that an entity should regularly assess its capital assets. 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 – City officials do not require regular parking structure structural inspections. Instead, City officials contract for structural inspections of parking structures when they deem necessary. The Director of Parking told us they monitor parking structures through periodic walk-throughs by Parking employees and the City’s mechanical engineers, and will call in an outside engineer when specific areas need further evaluation. We requested inspection reports for the last 10 years. Officials could not provide structural inspection reports. However, they told us that the Dryden garage may have had a structural inspection around 2007. Although officials hired a firm to perform a structural inspection at the Seneca Garage in 2011, they did not have documentation that showed the complete results of the inspection. The City completed renovations at the Seneca garage in 2013. Two sections of the Green Street Garage are currently being inspected. Without establishing regular structural inspection intervals, the City is at increased risk of not identifying potential high priority issues, which increases the risk to public safety.

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 three elevators. We reviewed six elevator inspection reports from 2015 and 2016 (Figure 2). Two elevators were inspected within the required six months, and one elevator was re-inspected after six months. Green Street Elevator 1 had corrected its five violations or comments and it passed inspection in July 2016. However, the two Seneca Street elevators had violations or comments. They had a total of six violations or comments in October 2016, an increase over the two violations or comments in June and July 2016. We reviewed letters documenting that five violations or comments were repaired. A DPW employee told us that the final violation or comment (leakage) was not addressed because of the winter weather.

Figure 2: Elevator Inspection Results				
Elevator Location	Inspection Date	Inspection Results	Inspection Date	Inspection Results
Green Street Elevator 1	December 2015	Floor, Capacity Plate, Fire Extinguisher, Wiring, Pulse Belt Monitor	July 2016	No Violations or Comments
Seneca Street Elevator 1	July 2016	Lighting	October 2016	Cleaning (3), Leakage
Seneca Street Elevator 2	June 2016	Lighting	October 2016	Lighting, Cleaning

Documenting Decisions – Decisions made by City officials about the reasons for contracting for inspections and the results would be more transparent to the Mayor, Common Council and community if the officials obtained and retained inspection documentation and their disposition of identified issues. This information would help ensure a better understanding of the necessary projects, costs and benefits of adequately maintaining the City’s capital assets.

The Director of Engineering Services told us that they decide when it is necessary to have structural inspections conducted by an outside engineering firm. Further, City officials told us that they completed a structural inspection of the Seneca Street garage but did not maintain documentation. In addition, officials do not have documentation to support their decisions regarding the assessments for projects that are currently under way or the reasons they have selected areas to work on. As a result, there is less transparency to officials and the community that the parking structures are being adequately maintained.

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 helps establish overall budgetary control as well. 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 project 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. Since the City does not have current structural inspections and documentation of potential issues, there is less assurance that the CIP includes all the potential top prioritizing issues. As a result, the City is at increased risk that it may not be aware of all potential issues, and/or have sufficient resources available.

Recommendations

City officials should:

1. Consider establishing regular structural inspection cycles for the parking structures.
2. Obtain and retain inspection reports.
3. Document the inspection decisions, priorities and dispositions of identified needed repairs and update as necessary.
4. Ensure operational elevators are inspected meet minimum code requirements.
5. Develop CIPs based on inspection reports and documented decisions.

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 the officials and staff of the City 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 page.



CITY OF ITHACA

108 East Green Street Ithaca, New York 14850

OFFICE OF THE MAYOR • SVANTE L. MYRICK

Telephone: 607/274-6501 Fax: 607/274-6526

July 24, 2017

Ann C. Singer, Chief Examiner
OSC Division of Local Government and School Accountability
State Office Building, Suite 1702
44 Hawley Street
Binghamton, New York 13901-4417

Dear Ms. Singer:

Thank you for this opportunity to respond to your draft report for the City of Ithaca Parking Garage Maintenance Audit for the period January 1, 2015 through January 31, 2017. On behalf of City of Ithaca staff and my administration, I would like to thank the local auditors for their efforts in conducting the audit and preparing this report. They were professional and courteous and responsive throughout the process.

The City of Ithaca appreciates the importance of ensuring the safety of the state's parking structures, and we were glad to have this opportunity to demonstrate the attention we pay to ours. We see the draft report as a validation that we are doing an adequate job of maintaining the safety of our structures, and we acknowledge that there are opportunities for improvement. Specifically, we have the following responses to your recommendations:

- While the City does perform periodic inspections of our parking structures, we agree that we should develop and follow a regular inspection schedule.
- The City has performed structural upgrades and periodic maintenance on its parking structures, and these upgrades have been based on engineering analyses conducted by structural engineering consultants; however, we have not filed these reports in such a way that we can retrieve them upon request. We agree that we need to improve our documentation storage and retention so that we can demonstrate the basis for the capital upgrades that we undertake.
- The City works diligently to ensure that our elevators are inspected and that any deficiencies are corrected as quickly as possible. As shown in the report, the deficiencies that were found in the City of Ithaca were generally minor, such as the need to perform cleaning. The one deficiency that was not corrected was a roof leak that could not be repaired during the winter, and that work will be performed this summer. We will continue to ensure that the elevators are inspected and meet code requirements.

City of Ithaca staff will prepare a corrective action plan and will submit that to your office within 90 days.

Again, thank you for your and your staff's diligent work on this report.

Sincerely,

Svante L. Myrick
Mayor



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 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 employees to determine the parking structure inspection processes.
- We performed walk-through observations of parking structures.
- We reviewed elevator inspection reports and obtained letters documenting work 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.