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December 2017

Byron Brown, Mayor
Members of the Common Council
City of Buffalo
65 Niagara Square
Buffalo, NY 14202

Report Number: S9-17-5

Dear Mayor Brown 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 Buffalo (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 December 2, 2016. We extended the scope of our audit back to the 2005-06 fiscal year for parking structure inspection reports and to evaluate repairs. We extended our scope to May 2017 to review elevator inspection reports. 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 B, in preparing this report. Except as indicated in Appendix B, City officials generally agreed with our recommendations and indicated they plan to initiate corrective action. Appendix C includes our comments on certain issues in the City's response. 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. During the last decade, four of the eight¹ operating structures received one documented complete structure inspection. The most recent inspections were conducted at two structures in 2014, one structure in 2011 and a fourth structure in 2009. All four available inspections indicated no urgent repairs were necessary. However, there were 37 issues identified as high² priority. Officials provided us with documentation indicating that 19 of these identified issues were repaired. Officials could not provide documentation that they addressed 14 of the final 18 repairs identified as high priority. Officials indicated they deferred the remaining four issues for a later time but had no documentation to support this.

In addition, Buffalo Civic Auto Ramp (BCAR) contracted for inspections of the City's 18 parking structure elevators. Fourteen of the most recent elevator inspections reported violations or comments on identified issues, while four passed inspection.

The City Parking Department Commissioner and BCAR officials 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 by BCAR or by capital projects through the City. In addition, officials do not maintain documentation for all repair statuses.

Lastly, while City officials annually prepare a five-year Capital Improvement Plan (CIP), it is not tied to periodic inspections. As a result, the CIP is less effective because officials may not be considering all potential issues.

Background and Methodology

The City is located in Erie County and has approximately 261,000 residents. The City is governed by a nine-member Common Council (Council), composed of a President and eight 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 \$1.4 billion, which includes the parking fund budget of \$942,047. The City's Parking Department contracts with a not-for-profit entity, BCAR, to manage the parking facilities. The Commissioner of Parking is responsible for oversight of parking structures.

The City owns nine parking structures with approximately 8,620 spaces (Figure 1), of which eight are currently in operation. Parking structure revenues totaled \$8.1 million in 2016.

¹ The City has nine structures with eight in operation. The Osinski garage has been closed since 2012 and is in the process of being sold.

² High priority items are those that should be fixed as soon as possible. However, they are not considered an imminent threat.

Figure 1: Parking Structures		
Name	Spaces	Year Built
Adam Garage	1,787	1990
Augspurger Garage ^a	1,433	1983
Fernbach Garage	1,210	1989
Gallagher Garage	600	1976
Main Place Garage	1,012	1970
Mohawk Garage	629	1955
One Seneca Garage	457	1969
Osinski Garage (closed)	720	1974
Turner Garage	773	1970
a) The Augspurger garage was originally built in 1983 and had an additional garage connected to it in 2005.		

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 and BCAR officials. We reviewed relevant laws, inspection reports, work orders and invoices. We performed walk-throughs of the eight operating 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 D 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. Officials monitor the status of the structures with daily walk-throughs by BCAR employees. BCAR notifies City officials of any concerns and they work together to resolve. However, the City does not have engineers experienced in structural inspections and will contract for structural inspections when officials deem necessary. Officials contracted with an engineering firm to perform structural inspections at four of the eight structures over the past decade (Augsburger October 2014, Turner October 2014, Mohawk February 2011 and Main Place February 2009). These inspections indicated no urgent repairs were necessary. However, there were 37 issues identified that required high priority³ attention.

We reviewed work orders and invoice documents to determine the status of the identified repair issues. Officials provided documentation that 19 of these issues had been repaired. A BCAR official told us that 14 additional issues were repaired. However, they could not provide documentation to support this assertion. Furthermore, the official indicated that they had deferred the final four issues, although they were unable to provide documentation of their plan to defer (Appendix A, Figure 2). Without establishing regular structural inspection intervals, the City is at increased risk of not identifying potential high priority issues and 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 operational parking structures have 18 elevators. We reviewed recent elevator inspection reports and found that 15 elevators were inspected within the required timeframe. Because officials could not provide previous inspection reports for three elevators, it was unclear how much time elapsed between inspections. Officials provided us with inspection documentation

³ High priority items are those that should be fixed as soon as possible. However, they are not considered an imminent threat.

that occurred after we left field work that showed 14 elevators had violations or comments and four passed inspection with no comments or violations (Appendix A, Figure 3). Without ensuring elevators are regularly inspected and pass required inspections, there is an increased risk to public safety.

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 was based off periodic engineering inspections. This information would help ensure a better understanding of the costs and benefits of adequately maintaining the City's capital assets.

Officials told us that they decide when structural inspections are conducted by an outside engineering firm based on when they feel it is needed, but they do not document the reason for the inspection. The Parking Department Commissioner and BCAR representatives told us they decide which order to address issues and who will make the repairs but do not document their decisions. There is no documentation to support how officials prioritized the identified repairs, projected timelines or determined whether the repairs were to be made by BCAR or through the City as a capital project. In addition, the BCAR maintenance supervisor checks on repairs. However, he did not keep a log of repairs requested and whether they were completed. As a result, there is no documentation to support City officials' decisions or the current status of some 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 project plans should have the flexibility to address unexpected situations, including those impacting the health and safety of City staff and parking structure patrons.

On an annual basis, BCAR and 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 does not know the status of certain identified issues, there is less assurance that the CIP includes all the potential top prioritizing issues. As a result, the City is at increased risk of not being aware of potential issues, and/or having sufficient resources available to address necessary repairs.

Recommendations

City officials should:

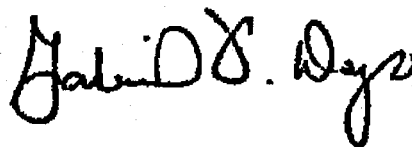
1. Consider establishing regular structural inspection cycles for the parking structures.
2. Obtain and retain inspection reports.
3. Ensure operational elevators are inspected, as required, and meet minimum code requirements.

4. Document the inspection decisions, priorities and dispositions of identified needed repairs and update as necessary.
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,

A handwritten signature in black ink that reads "Gabriel F. Deyo". The signature is written in a cursive, slightly slanted style.

Gabriel F. Deyo
Deputy Comptroller

APPENDIX A

Figure 2: High Priority Items Identified by Engineering Firm/Consultants

Structure/Inspection Year	Immediate Repair Issue	Repair Status
Augspurger Garage/2014	Expansion Joint Replacement	In Progress – Capital Project
Augspurger Garage/2014	Deck Waterproofing	In Progress – Capital Project
Augspurger Garage/2014	Concrete Repair - Partial Depth Deck	In Progress – Capital Project
Augspurger Garage/2014	Cantilever Slab Area Support Repairs	In Progress – Capital Project
Augspurger Garage/2014	Deck Crack Sealing	In Progress – Capital Project
Turner Garage/2014	Post-Tension Strategy	In Progress – Capital Project
Turner Garage/2014	Post-Tension Supplementation	In Progress – Capital Project
Turner Garage/2014	Deck Waterproofing	In Progress – Capital Project
Turner Garage/2014	Concrete Repair - Partial Depth Deck	In Progress – Capital Project
Turner Garage/2014	Concrete Repair - Full Depth Deck	In Progress – Capital Project
Turner Garage/2014	Concrete Repair - Overhead	In Progress – Capital Project
Turner Garage/2014	Vertical Concrete Repair	In Progress – Capital Project
Turner Garage/2014	Expansion Joint Repair / Replacement	In Progress – Capital Project
Turner Garage/2014	Asphalt Removal - Roof Level	In Progress – Capital Project
Turner Garage/2014	Guiderail Replacement	Not Repaired – Officials Told Us Deferred to Later Date
Turner Garage/2014	Façade Repairs – Connections	In Progress – Capital Project
Turner Garage/2014	Drainage System Flushing, Repair and Replacement	In Progress – Capital Project
Turner Garage/2014	Replace Drains	In Progress – Capital Project
Turner Garage/2014	Concrete Corbel Repair	Not Repaired – Officials Told Us Deferred to Later Date
Turner Garage/2014	Epoxy Crack Injection	Not Repaired – Officials Told Us Deferred to Later Date
Turner Garage/2014	Façade Repairs – Concrete	Not Repaired – Officials Told Us Deferred to Later Date
Mohawk Garage/2011	Remove Loose Concrete and Brick	Repaired - 2011
Mohawk Garage/2011	Repair and Recoat Existing Waterproofing Membrane	Repaired - 2013
Mohawk Garage/2011	Repair Floor Slab and Ceiling	Officials Indicated Repaired – No Documentation
Mohawk Garage/2011	Install Cathodic Protection	Officials Indicated Repaired – No Documentation

Figure 2: High Priority Items Identified by Engineering Firm/Consultants		
Structure/Inspection Year	Immediate Repair Issue	Repair Status
Mohawk Garage/2011	Repair Deteriorated Concrete	Officials Indicated Repaired – No Documentation
Mohawk Garage/2011	Remove Loose Overhead Concrete and Brick	Officials Indicated Repaired – No Documentation
Mohawk Garage/2011	Remove and Replace Existing Crack / Joint Sealant	Officials Indicated Repaired – No Documentation
Mohawk Garage/2011	Replace Deteriorated Floor Drains and PVC Piping	Officials Indicated Repaired – No Documentation
Mohawk Garage/2011	Tuckpoint Deteriorated Brick Mortar Joints and Replace Deteriorated Brick	Officials Indicated Repaired – No Documentation
Mohawk Garage/2011	Route and Seal Façade Cracking	Officials Indicated Repaired – No Documentation
Mohawk Garage/2011	Repair Deteriorated Stair	Officials Indicated Repaired – No Documentation
Mohawk Garage/2011	Install Cove Sealant	Officials Indicated Repaired – No Documentation
Mohawk Garage/2011	Remove Rusted Steel Door Frames	Officials Indicated Repaired – No Documentation
Mohawk Garage/2011	Remove and Replace Stair Doors and Frames	Officials Indicated Repaired – No Documentation
Mohawk Garage/2011	Clean and Paint Steel Stairs	Officials Indicated Repaired – No Documentation
Mohawk Garage/2011	Paint Traffic and Parking Stall Stripping	Officials Indicated Repaired – No Documentation

Figure 3: Elevator Inspection Results						
Elevator Location	Most Recent Evaluation Date	Pass or Violation/ Comment Reason	Prior Evaluation Date	Pass or Violation/ Comment Reason	Elapsed Time Between Evaluations (Months)	Elapsed Time Since Last Evaluation (Months)
Adam 1	February 2017	Ascend overspeed protection shall be provided. Overspeed unit is disabled and turned off	September 2016	All landing and car-door or gate mechanical and electrical components shall be maintained to ensure safe and proper operation. Ascending overspeed protection shall be provided.	5	4
Adam 2	February 2017	All landing and car-door or gate mechanical and electrical components shall be maintained to ensure safe and proper operation.	September 2016	All landing and car-door or gate mechanical and electrical components shall be maintained to ensure safe and proper operation. Ascending overspeed protection shall be provided.	5	4
Adam 3	February 2017	All landing and car-door or gate mechanical and electrical components shall be maintained to ensure safe and proper operation.	September 2016	All landing and car-door or gate mechanical and electrical components shall be maintained to ensure safe and proper operation.	5	4
Adam 4	February 2017	All landing and car-door or gate mechanical and electrical components shall be maintained to ensure safe	September 2016	All landing and car-door or gate mechanical and electrical components shall be maintained to ensure safe and proper operation.	5	4

Figure 3: Elevator Inspection Results						
Elevator Location	Most Recent Evaluation Date	Pass or Violation/ Comment Reason	Prior Evaluation Date	Pass or Violation/ Comment Reason	Elapsed Time Between Evaluations (Months)	Elapsed Time Since Last Evaluation (Months)
		and proper operation.				
Augspurger 1	May 2017	Fire extinguisher shall be supplied	May 2016	Metal tag of applicable code requirements and dates performed. Oil logs not current. A properly tested and maintained ABC fire extinguisher shall be provided in the machine room.	12	1
Augspurger 2	May 2017	Fire extinguisher shall be supplied	May 2016	Metal tag of applicable code requirements and dates performed. Record of hydraulic fluid added and emptied from leakage collection. A properly tested and maintained ABC fire extinguisher shall be provided in the machine room.	12	1
Augspurger 3	May 2017	Safe access to control room, ascending overspeed protection shall be provided	September 2016	Ascending overspeed protection shall be provided.	8	1
Augspurger 4	May 2017	Safe access to control room, ascending overspeed protection	September 2016	Ascending overspeed protection shall be provided.	8	1

Figure 3: Elevator Inspection Results						
Elevator Location	Most Recent Evaluation Date	Pass or Violation/ Comment Reason	Prior Evaluation Date	Pass or Violation/ Comment Reason	Elapsed Time Between Evaluations (Months)	Elapsed Time Since Last Evaluation (Months)
		shall be provided				
Augspurger 5	May 2017	Pass	September 2016		8	1
Fernbach 1	April 2017	Five year , full load, rated speed safety test overdue.	October 2016	Five year, full load, rated speed safety test overdue.	6	2
Fernbach 2	April 2017	Five year , full load, rated speed safety test overdue.	October 2016	Five year, full load, rated speed safety test overdue.	6	2
Fernbach 3	April 2017	Five year, full load, rated speed safety test overdue.	October 2016	Five year, full load, rated speed safety test overdue.	6	2
Fernbach 4	April 2017	Five year, full load, rated speed safety test overdue.	October 2016	Five year, full load, rated speed safety test overdue.	6	2
Gallagher 1	April 2017	Pass	October 2016	Pass	6	2
Mohawk 1	February 2017	Pass	October 2016	Pass	4	4
Main Place 1	July 2016	Pass	January 2016	Pass	6	4 ⁴
Turner 1	February 2017	All landing and car door or gate mechanical and electrical components shall be maintained to ensure safe and proper operation	October 2016	Pass	4	4
Turner 2	February 2017	All landing and car door or gate mechanical and electrical components shall be	October 2016	The in car alarm bell shall be operational under normal power failure conditions.	4	4

⁴ Based on end of field work.

Figure 3: Elevator Inspection Results

Elevator Location	Most Recent Evaluation Date	Pass or Violation/ Comment Reason	Prior Evaluation Date	Pass or Violation/ Comment Reason	Elapsed Time Between Evaluations (Months)	Elapsed Time Since Last Evaluation (Months)
		maintained to ensure safe and proper operation				

APPENDIX B

RESPONSE FROM CITY OFFICIALS

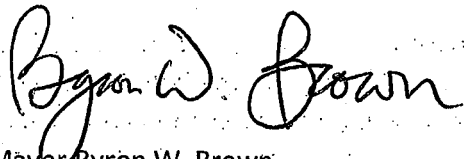
The City officials' response to this audit can be found on the following pages.

See
Note 3
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We disagree with your assessment regarding the effectiveness of our capital improvement plan. You note that; "while City officials annually prepare a five-year Capital Improvement Plan (CIP), it is not tied to periodic inspections. As a result, the CIP is less effective because officials may not be considering all potential issues." Our capital planning process is integrated into our budget process. City officials, BCAR board members and key BCAR personnel who are regularly touring and inspecting the structures are all part of this process. In this process we identify smaller repairs which are delineated in the BCAR budget and larger repairs which the City funds through bond sales and oversees bidding and completion. We believe the informed observations of the people regularly monitoring the facilities does provide us with a complete picture of the ramp conditions along with insight into what capital projects should be prioritized.

Again we would like to thank you for your effort in this audit process and we hope you will give thoughtful consideration to our response as you finalize the audit report.

Sincerely,



Mayor Byron W. Brown
City of Buffalo



CITY OF BUFFALO

BYRON W. BROWN
MAYOR



Mr. Gabriel F. Deyo
Deputy Comptroller
Office of the New York State Comptroller
Local Government and School Accountability
110 State Street, 12th Floor
Albany, NY 12236

9/14/17

Dear Deputy Comptroller Deyo,

On behalf of the City of Buffalo I would like to thank you for the effort you and your staff made in auditing the City of Buffalo owned parking structures. The diligence of your staff and the depth of your report are appreciated and will be a useful resource for the City moving forward. We also appreciate the opportunity you have given us to respond to the draft report to clarify and explain our practices. Our response is detailed below, with the draft report referenced in quotations when needed.

In the "Summary of Findings" we would like to rebut your statement that "Parking structures in the City are not regularly inspected". While we do not have outside engineering firms regularly inspect the facilities on a set schedule, we do regularly inspect each structure using in house staff from Buffalo Civic Auto Ramps (BCAR). Multiple people at Buffalo Civic Auto Ramps, with vast knowledge of the structures themselves and concrete construction in general, tour the facilities daily as part of their routines. They look for any change of condition in the structure and monitor all systems within the building. While you have rightly noted the need for better record keeping, and a defined, systematic approach to inspections, we do not feel it is accurate when you say that "Parking structures in the City are not regularly inspected." With regard to the documented complete structural inspections that have been conducted we would like to point out that we have made a conscious decision to not have a complete structural inspection at four of the eight structures. BCAR staff's regular observations of all structures have shown these 4 to be in excellent condition, with very few signs of deterioration and we felt it most fiscally responsible to invest resources in other areas rather than in formal structural inspections.

See
Note 1
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Attached you will find the most recent elevator inspections for all 18 elevators. These documents will show that all 18 have documentation as to when the most recent inspection took place, and that 14 of the 18 elevators have the required 2 inspections within the last 12 months, and the other elevators have one inspection missing in the last 12 months.

See
Note 2
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APPENDIX C

OSC COMMENTS ON THE CITY'S RESPONSE

Note 1

We modified our final report to clarify our statement. Our report acknowledges that the garage operations vendor (BCAR) performs daily walk-through inspections. However, the BCAR inspections are visual inspections and are not structural inspections performed by engineers with experience in structural inspections.

Note 2

We have modified our report to acknowledge that the elevator inspections occurred after the date we completed fieldwork.

Note 3

Without periodic structural inspections, City officials may be unaware of potential issues and needs. City officials could not consider any such unidentified issues in their current process.

APPENDIX D

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 and BCAR officials to determine the parking structure inspection and repair processes.
- We performed walk-through observations of parking structures.
- We reviewed parking structure inspection reports.
- We reviewed elevator inspection reports.
- We obtained work orders and invoices to determine whether identified repairs were made or scheduled to be repaired.
- We reviewed the 2016-17 City Capital Improvement Program 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.