



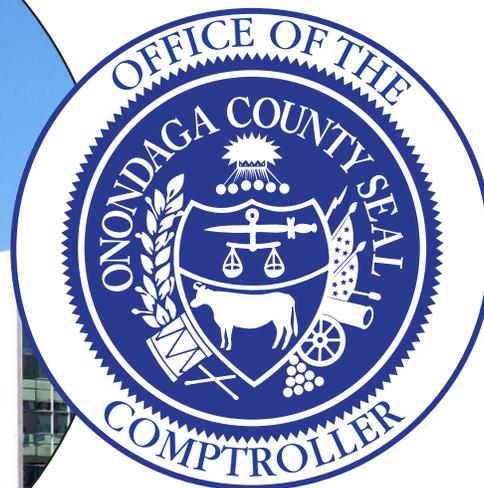
Martin D. Masterpole

Joint Audit of the City Abstract

A collaborative effort of the Onondaga County
Comptroller and the City of Syracuse Auditor



Robert E. Antonacci II, CPA





April 11, 2014

To the Citizens of Onondaga County and the City of Syracuse:

Please find enclosed our joint audit of the City Abstract. The purpose of our audit was to examine the various charges on the City Abstract and methodology to calculate those charges. The office of County Comptroller had previously audited the City Abstract in 2004 and revisited the issue of the City Abstract at the request of the City Auditor based on concerns the City of Syracuse Administration had with calculations of charges.

The Comptroller and the City Auditor agreed this was a good time to revisit this issue because there have been additional charges added to the City Abstract since the last audit.

Furthermore, it was another opportunity to examine the transparency issue involving the use of the abstract in taxing the residents of the City of Syracuse.

As part of our audit, we were able to circle back and examine the recommendations from the 2004 Comptroller's Audit and take the time to explain the effect of the City Abstract on the city and county tax rate as well as examine the property tax bills issued to the City of Syracuse residents.

Furthermore, we examined the methodology of each of the eight various charges and make recommendations for each cost center. In closing, it is the opinion of the County Comptroller and the City Auditor this method of taxation is less than transparent. First, it does not properly disclose the true cost of City government to City residents. Second, it could circumvent the constitutional taxing limit of the city of Syracuse and delay proper analysis of this important constitutional safeguard. As has been recommended in the past by both our offices as well as the office of the State Comptroller, we believe this method of taxation should cease and the City of Syracuse should display these charges within their budget and tax accordingly, paying back to the County government the cost of the services as they would any other vendor.

Please feel free to call either of us with questions you may have about this report.

Sincerely,

A handwritten signature in blue ink, appearing to read "Robert E. Antonacci II".

Robert E. Antonacci II, CPA

A handwritten signature in blue ink, appearing to read "Martin D. Masterpole".

Martin D. Masterpole, City Auditor



City Abstract Audit

2013

Introduction

The Onondaga County Comptroller's Audit Division and the City of Syracuse Auditor conducted an audit of the 2013 City Abstract.

The City Abstract is authorized by the New York State Unconsolidated Laws of 1937, Chapter 690-Collections. "During the first week of November of each year the County Legislature shall furnish to the City Commissioner of Assessment and the Syracuse Common Council a certified copy of a resolution, commonly known as City Abstract, showing the estimated amount necessary to be levied for state and county taxes and the rate thereof. It shall be the duty of the proper officers of the City of Syracuse to assess real property and, subsequent to the tax levy by the Common Council, to extend and collect state and county taxes and special ad valorem levies for county special districts on all taxable property in the city of Syracuse." The extended taxes and special ad valorem levies are subject to the same discount, fees, penalties and proceedings for the collection of taxes as is prescribed in the charter of the City of Syracuse and general special laws applicable to City taxes.

While there is an intended use of taxing by using an abstract, the current inter-municipal charges on the Abstract are not the costs anticipated to be taxed in this fashion.

The costs examined in this report are normal and customary operating expenses of the City government and are agreed upon with the Onondaga County government. We refer to these costs as inter-municipal charges or inter-municipal agreements. Others may also refer to the charges as shared services.

Regardless of the nomenclature, the City has agreed, with eight particular services, to share expenses with the County and, in turn, the County of Onondaga direct bills City taxpayers for these services. In other words, the charges for these City services do not pass through City financial records but rather through County billing on the City Abstract. The City Abstract has been a mechanism to levy City property tax through the County tax bill.

The purpose of the audit was to examine the various charges (additions, changes or deletions) on the City Abstract and the methods used to calculate those charges. The Audit Division also looked at whether the recommendations from the 2004 audit of the City Abstract performed by the Audit Division were implemented. We did not include the sanitary and drainage district charges in our audit.

The 10 inter-municipal charges on the 2013 City Abstract were:

Public Safety Building (pg 9)	\$ 1,079,983
Center for Forensic Science (pg 12)	\$ 2,032,929
Criminal Courthouse (pg 14)	\$ 1,465,592
Justice Center (pg 16)	\$ 5,906,300
Syracuse-Onondaga County Planning Agency (pg 17)	\$ 593,422
Dept. of Aging & Youth- Youth Bureau (pg 20)	\$ 234,130
Dept. of Aging & Youth- Aging (pg 21)	\$ 25,000
Onondaga County Public Library- Branches (pg 23)	\$ 6,292,223
2% Uncollected Charge for City-Count Depts (pg 24)	\$ 352,592
1% City Collection Fee (pg 24)	\$ 418,366
Total	<u>\$ 18,400,537</u>

From a taxation perspective, the charges are reflected on City of Syracuse tax bills as described next in this report.

City of Syracuse Real Property Tax Bill

The City of Syracuse Department of Assessment annually compiles the City assessment roll consisting of an assessed value for each property. The assessments are based on the market value of each property and are used to compute annual tax bills for the City, School and County taxes.

Although not specifically stated on the tax bill, the County Tax line item on the City of Syracuse tax bills is a compilation of 3 distinct charges: County General, City Abstract, and Drainage District.

County General -

This charge is computed to be the apportionment of the County tax levy on taxable property within the City of Syracuse.

2014 County General	
County Total Tax Levy - 2014	\$ 140,891,159
Taxable Value of City property	\$ 3,677,433,564
City Apportionment of County Taxes (17.24% of County tax levy)	\$ 24,289,790
Assesed Tax Rate for County General	\$ 0.0066051
Dollar Impact per \$100,000 Assessed Value	\$660.51

City Abstract-

This charge is computed to be the charge of costs incurred by the City of Syracuse through the utilization of County facilities and services.

2014 City Abstract	
Public Safety Building	\$ 1,242,181
Justice Center-Syracuse Jail	\$ 5,739,808
Syracuse-Onondaga County Planning Agency	\$ 1,075,438
Youth Bureau	\$ 246,208
Office of Aging	\$ 25,000
Branch Libraries City of Syracuse	\$ 6,226,187
Center for Forensic Science	\$ 2,182,779
New Criminal Courthouse	\$ 1,244,137
2% Uncollected Charge for City-Count Depts	\$ 359,635
City Collection Fee (1%)	\$ 426,420
Other Abstract Charges	\$ 18,767,793
City Apportionment of County Taxes	\$ 24,289,790
Total Abstract Charges	<u>\$ 43,057,583</u>
Assessed City Abstract	\$ 0.0051035
Dollar Impact per \$100,000 Assessed Value	\$ 510.35

Drainage District-

This charge is computed to be the apportionment of the County Drainage Districts within the City limits on taxable property within the City of Syracuse.

2014 City Drainage District	
Meadowbrook Drainage District	\$ 396,276
Bear Trap-Ley Creek Drainage District	\$ 49,290
Harbor Brook Drainage District	\$ 369,571
City Collection Fee	\$ 8,151
Total Drainage District	<u>\$ 823,288</u>

The total of the three assessments is \$0.0119326, or \$1,193.26 per \$100,000 Assessed Value, which represents the total County tax rate applicable to the taxable value of property in the City of Syracuse as listed on the Real Estate Tax bill.

PENALTIES AND INSTRUCTIONS ON REVERSE SIDE

ONONDAGA COUNTY REAL ESTATE TAXES

FOR THE PERIOD JANUARY 1, 2014 TO DECEMBER 31, 2014

AV = Assesed Value
FMV = Full Market Value

Property Description and Location

[REDACTED]



Property # [REDACTED]
Map # [REDACTED]
Class Code 210-1 FAMILY RES
Roll Section 1
SDC: 631

MAKE CHECKS PAYABLE TO:
Commissioner of Finca
P.O. Box 5271
Binghamton, NY 1390
or Online at
www.xpress-pay.com

Exemption Tax Purpose AV FMV Exemption Tax Purpose AV FMV

Full Market Value as of 3/31/13 135,975 Uniform Percent of Value 82.00
Assessed Value 111,500

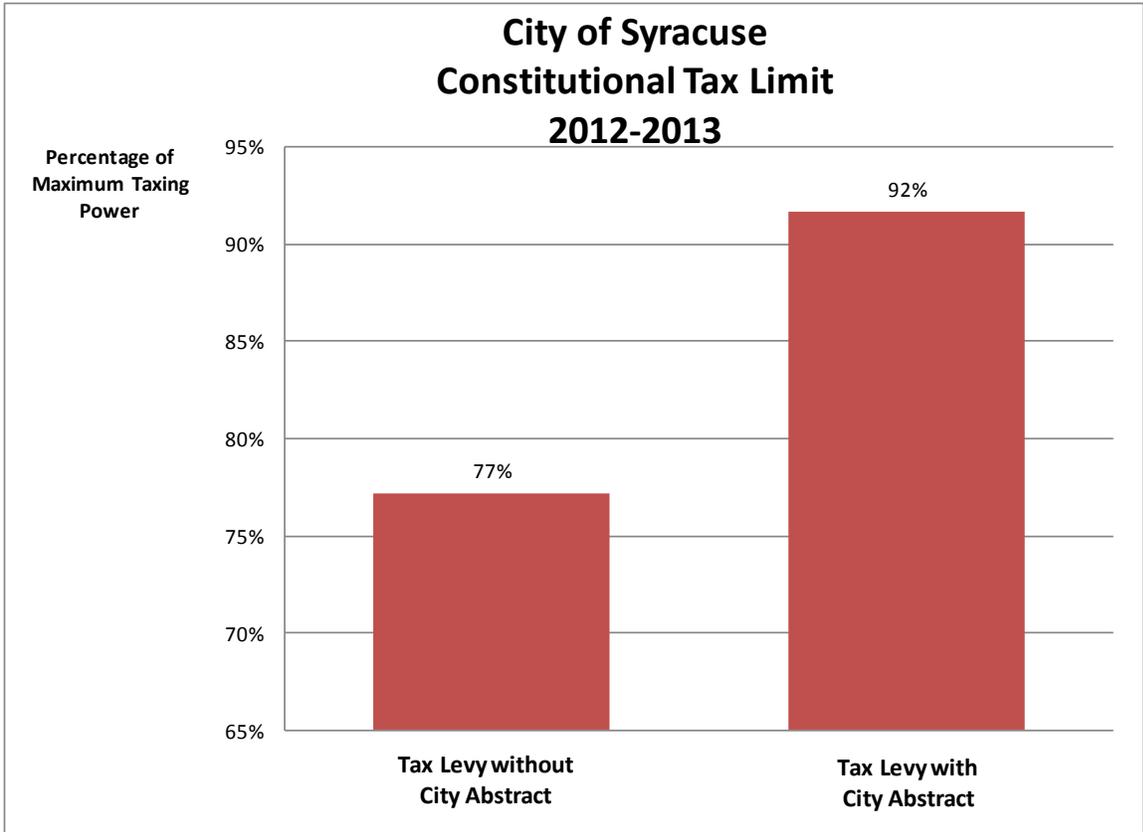
	Total Tax Levy	% Change	Value/Units	Rate	Tax Amount
COUNTY TAX	140891159.00	- .076	111,500	.011932600	1,330.48
WATER DIST. TAX	1696205.00	.000	111,500	.000042400	4.72
SAN. DIST. TAX	70281472.00	7.501	1.00	392.720000	392.72

* Total Taxes Due: \$****1727.92

In the current fiscal environment, municipalities are striving for transparency and clarity in regards to their financial activities.

The City of Syracuse has the authority to levy taxes up to the New York State Constitutional tax limit, which is (a) up to 2% of the five-year average full assessed valuation of taxable real property, for general governmental services other than the payment of principal and interest on long-term debt, (b) in unlimited amounts for the payment of principal and interest on long-term debt, and (c) in unlimited amounts for capital appropriations.

As of the 2012-2013 budget year, the City is using approximately \$98,000,000, or 77%, of their tax limit to balance the budget of approximately \$127,000,000. Direct billing and therefore including in the City budget the inter-municipal costs currently charged through the City Abstract would exhaust approximately \$117,000,000, or 92%, of the City's tax limit. If the City budget included these inter-municipal charges, the City budget would only be able to tax an additional approximately \$11,000,000, or 9%, before reaching its tax limit. (Exhibit E)



It should also be noted there is an additional cost to the City property tax payers for services funded through the City Abstract charges. Per the Unconsolidated Laws of 1937, Chapter 690- Collections, the City is entitled to 1% of the total County taxes levied as a fee for collecting the taxes. This fee is included as a charge on the City Abstract essentially being charged to City residents through the County property tax line on their property tax bills.

The overall process utilized to provide and fund the services charged through the City Abstract should be critically reviewed by the appropriate City and County officials. All charges between the City of Syracuse and Onondaga County should have current agreements. The agreements should contain the method for calculating the appropriate cost of service(s) and other pertinent terms as stated in Onondaga County Legislative Resolution #269 1999.

Other Audits and Important Information

The New York State Comptroller conducted an audit in 1998 which included a review of the amounts relating to city-county cooperation arrangements included in the county tax levies for 1996 and 1997. The audit stated that neither the city budget nor the city's annual financial report reflected the aforementioned taxes or the related expenditures.

The audit found that "the practice of adding these costs to the City Abstract rather than including the taxes and related appropriation in the City's annual budget results in hidden city expenditures and deprives the taxpayers of the opportunity to express their objections, opinions or concerns. In addition, the City's annual financial report should be a complete and accurate representation of its financial position and results of its operations for the year being reported. When City expenditures are included on the County tax levy, the related real property tax revenues and expenditures are not reflected in the City's annual financial report. This results in the understatement of revenues and expenditures in the City's annual financial report. Lastly, the levying of taxes by the County on behalf of the City could enable the City to circumvent its constitutional tax limit."

The recommendation from the audit was that "City officials should take steps to ensure that taxes for the City's share of the cost of municipal cooperation arrangement with Onondaga County are not levied by the County. Appropriations for these expenses should be included by the City in its annual budget and taxes, therefore, levied by the City as City taxes. The tax revenues and related expenditures should be reflected in the City's annual financial report." "A similar finding was included in the reports of our two prior examinations." (Exhibit D)

The following were the recommendations from the 2004 audit performed by the Audit Division and whether they were implemented:

Justice Center charge should be removed from the Abstract and direct billed

Implemented – No

Public Safety Building charge should be removed from the Abstract and direct billed

Implemented – No

Syracuse-Onondaga County Planning Agency charge should be removed from the Abstract and direct billed

Implemented – No

Youth Bureau's City portion of non-reimbursable administrative costs should be direct billed

Implemented – No

Department of Aging allocation of local share should be equally split between City and County
Implemented – No

Forensic Science Center charge should be removed from the Abstract and direct billed
Implemented – No

There have been County Resolutions and City Ordinances regarding the elimination of inter-municipal charges for services on the City Abstract, but to date, inter-municipal charges have never totally been removed from the City Abstract.

- Syracuse Common Council Resolution 33-R of 1996 objected and refused to use the City Abstract for City-County inter-municipal charges. The objection was due to the 1% collection fee imposed on the City property owners and the use of the abstract to circumvent the City Common Council budget approval process. (Exhibit A)
- Onondaga County Legislative Resolution #119 1996 (defeated), states “no signed Memorandum of Understanding exists between the City of Syracuse and Onondaga County authorizing charge backs to be collected off the City Abstract” and “the method of payment is not a function of statutory authority and is therefore arbitrary, illegal and inappropriate” and “the New York State Comptroller has previously criticized the abstract method of payment as overstating the City’s tax margin as a percentage of the City’s tax limit.” This resolution was intended to remove the City’s share of the costs and expenses charged for services and to commence billing the City directly for such costs and expenses. (Exhibit B)

There were 5 direct benefits cited in the resolution:

- 1) the County’s tax rate would decrease and reflect genuine taxes
- 2) the County would significantly reduce losses due to City write offs
- 3) the City could realistically put forth a budget which manifested all of its expenses and thereby render judgments as to what taxpayers could afford
- 4) the total tax amount paid by City residents would not increase
- 5) City taxpayers would annually save money by omitting the 1% collection fee for services.

The 2013 City Abstract totaling \$42,254,945 includes the apportionment of County Taxes of \$23,854,408, eight inter-municipal line item charges for expenses totaling \$17,629,579, a 2% uncollected charge for City-County departments totaling \$352,592, and a 1% City Collection fee totaling \$418,366. Of the eight inter-municipal charges, only three have inter-municipal agreements: Center for Forensic Science, new Criminal Courthouse, and the Planning Agency. The charges that do not have a current agreement are: Public Safety Building, Youth Bureau, Dept. of Aging, Justice Center, and the Syracuse Branch Libraries.

One new charge was added to the City Abstract since 2004 (New Criminal Courthouse in 2011), which had previously been a direct bill to the City of Syracuse. This charge is \$1,465,592 for 2013 and relates to Onondaga County Legislative Resolution #231 2010, which states that it is the desire of the City and County to amend the lease agreement of space in the new Courthouse facilities to provide for the lease payment to be made a charge to the annual City Abstract commencing with the 2011 annual City Abstract.

Since a majority of charges on the City Abstract do not have agreements in place, the Audit Division proceeded to review the methodology of the City Abstract charges.

1. Public Safety Building (PSB)

I. Background

In 1964, through Onondaga County Legislative Resolution #297, the City of Syracuse and Onondaga County entered into an operation and maintenance agreement whereby the County would assume full responsibility of operating and maintaining the PSB and agreed to share in the actual costs based upon the proportionate use for each entity. The resolution stated that the charges for services provided to the City will be added to the annual abstract. The last written annual agreement between the City and the County was executed in 1978. No current contract or agreement was found for this charge.

II. Calculation

The amount of the charge to the City is determined using the maintenance in lieu of rent (MLR) calculation based on space occupied by the City. The MLR charge is the computation and allocation of the costs of repairs, maintenance, heating and cooling operations and of administrative overhead costs to determine the actual building costs. The building cost is divided by the building footage to calculate a cost per square foot. The cost per square foot is multiplied by the square footage of the space occupied by the tenant to determine the MLR charge. It includes direct and administrative costs for operating and maintaining the facility, interest on debt service, depreciation costs, administrative overhead and District Heating & Cooling Plant costs on a pro-rated basis. An adjustment to actual costs is also calculated on a two year lag and any additional charge or credit is included in the next annual abstract charge amount. All calculations are done by the Department of Facilities Management. According to drawings provided by the Department of Facilities Management, the total square footage of the PSB excluding the vacant jail tower is 121,886. The space occupied by the City is 75,468 net square feet, including 10,419 net sq. ft. for the City Court’s space. The total abstract charge is \$1,079,983, including the 2011 adjustment to actual costs of \$53,593.

PSB Square Footage Occupied	
	Square Feet
Police Department	54,102 City
Fire Department	6,578 City
Marshall's Office	361 City
Courts	9,594 City
Courts: Locker	825 City
Facilities Management	7,801
Sheriff's Department	8,855
District Attorney	3,544
Onondaga Crime Analysis Center	1,769
Gang Violence Task Force	3,084 City
Intelligence and Technology	924 City
Core	24,449
Total Square Ft	<u>121,886</u>
City occupied space	75,468
Per Excel Schedule received from Facilities MLRupdate2013 09/26/2013	

PSB MLR Budget	
Salaries & OT - day maint, night cleaners, DH&C mechanics	\$ 157,999
Employee Benefits	\$ 115,888
Supplies & Material - air filters, cleaning supplies	\$ 32,330
All other expenses - trash removal, taxes	\$ 9,208
Utilities - gas & electric paid to National Grid	\$ 179,857
Maintenance Agreements and Repairs, Communication	\$ 86,905
Informational Tech, Insurance	\$ 13,727
Depreciation and Interest	\$ 105,088
FM overhead costs	\$ 484,677
DH&C production and overhead cost	\$ 404,904
Less State Aid Revenue	\$ (265,407)
MLR Net of State Aid	\$ 1,325,176
Total PSB square footage net of core space	97,437
Cost per square foot	\$ 13.60

III. **Finding**

- 1) There is no current Inter-municipal Agreement executed for the services the County provides to the City.

Recommendation: An Inter-municipal agreement should be executed for services that the County provides to the City.

- 2) The total square footage charged to the City for 2013 is 66,721, which did not tie out to CAD drawings received from the Department of Facilities Management. The drawings show the City occupying 75,468 square feet. The amount that was not charged to the City was 8,747 sq. ft. at \$15.66 per sq. ft., equaling \$136,978.

Recommendation: The actual square footage for each tenant should be reviewed annually to ensure the most accurate allocation of costs.

Recommendation: The County and City should review and consider whether the Core space costs should be allocated and how they should be allocated.

2. Center for Forensic Sciences (CFS)

I. Background

Through Onondaga County Legislative Resolution #127 1997, the City of Syracuse and Onondaga County executed a Memorandum of Agreement for the Forensic Sciences Project. The agreement provided a direct bill to the City for a 50/50 share of the operation and allocation of expenses for the Crime Lab and the DNA Lab, including debt service costs, capital costs, operation and maintenance expenses, supply and material costs and personnel costs.

Revenue contract #66903 between the City and County amended the aforementioned 1997 resolution and went into effect in 2004.

Changes as a result of CT66903:

- The Contract #66903 transferred the employees and operations of the City's Crime Lab and DNA Lab to the County's operations at the Forensic Science Center.
- The contract changed the payment method from a direct bill to a charge on the City Abstract. The contract states the City agrees to pay to the County an annual contract price in the amount of \$1,634,690, beginning with calendar year 2004 and a 3% increase every calendar year thereafter. If the actual cost has increased by less than 3% over the cost of the immediately preceding calendar year, the County shall credit the City the difference. In the event that in any calendar year the actual cost for that year has increased by less than 3%, the annual contract price shall increase by 3% over said actual cost. This calculation is computed by the Department of Management and Budget.

II. Calculation

The actual costs regarding the operation and maintenance of the Crime Lab and DNA Lab are comprised of components from two different County departments: the Health Department and Department of Facilities Management. The Facilities Management costs are Maintenance in Lieu of Rent (MLR). The MLR charge is the computation and allocation of the costs of repairs, maintenance, heating and cooling operations and of administrative overhead costs. The MLR charge is divided by the building square footage to calculate a cost per square foot. The cost per square foot is multiplied by the square footage of the space occupied by the tenant to determine the abstract charge. According to drawings provided by the Department of Facilities Management, the space occupied by the City is 10,041 square feet. The 2013 Health Department Charge for the Forensic Science Center is \$1,633,442 and the Facilities MLR charge is \$525,842. The total 2013 abstract charge is \$2,032,929, which includes an offset of \$126,355 for the 2004-2011 adjustment to actual.

CFS Square Footage Occupied		
	Square Feet	%
City	10,041	20%
County	27,496	56%
Common Area	0	0%
Core	10,433	21%
Other	1,068	2%
Total Square Ft	<u>49,038</u>	
Per Excel Schedule received from Facilities		

CFS MLR Budget	
Salaries & OT - DH&C mechanics	\$ 70,967
Employee Benefits	\$ 51,593
Supplies & Material - air filters	\$ 14,210
All other expenses - trash removal, cleaning serv, security guards	\$ 184,954
Utilities - gas & electric paid to National Grid	\$ 277,863
Maintenance agreements, rents and repairs	\$ 122,650
Insurance	\$ 7,215
FM admin overhead costs	\$ 522,163
MLR Net	<u>\$ 1,251,615</u>
Total square footage excluding core space	38,605
Cost per square foot	\$ 32.42
Cost per sq foot x sq ft occupied by City	\$ 325,529
Debt Service	\$ 200,313
City Abstract Charge for CFS MLR	<u>\$ 525,842</u>

III. Finding

- 3) Due to the language in the contract the amount of the credit seems to be indeterminate and is subject to interpretation of the language of the contract.

Recommendation: The City and County should meet to discuss what the intent of this contract is meant to be and adjust any credits due based upon the mutually written agreement.

- 4) The square footage allocation is based on information from 1999. Using an incorrect square footage amount for allocating costs leads to the possibility of undercharging the tenants for actual space used.

Recommendation: The actual space being used by Crime Lab, DNA Lab and Director of Labs should be determined annually to determine the most accurate cost to charge on the abstract.

- 5) The Core space on each floor is not being allocated to the tenants; therefore, the County is absorbing the costs.

Recommendation: The County and City should review and consider whether the Core space costs should be allocated and how they should be allocated.

3. New Criminal Courthouse (CCH)

I. Background

In July of 2003, the City of Syracuse entered into a 30-year lease agreement with the County of Onondaga for space in the New Criminal Courthouse. Prior to 2011, the charge had been a direct bill to the City. Onondaga County Legislative Resolution #231 2010 resolved that the lease payment should be a charge on the City Abstract beginning in 2011.

II. Calculation

The charge is a maintenance-in-lieu of rent (MLR) calculation based on space occupied by the City, less a portion of the State Aid for the City Court space for maintenance and operation costs. The charge is composed of three components: the Capital Component, Operating Component, and Demolition and Site Remediation Component. The Capital and Operating Cost Components use the space occupied percentage to allocate cost for the City Abstract charge. Currently, the City occupies 49.6% of the space. The Demolition and Site Remediation Component is allocated at 61% to the City. The calculation for this charge is done by Facilities Management. According to drawings provided by the Department of Facilities Management, the space occupied by the City is 62,642 net square feet. The abstract charge is \$533,710 for MLR net of \$262,611 State Aid, \$802,107 for Debt Service costs, \$129,775 for the 2011 adjustment to actual. The total net abstract charge for 2013 is \$1,465,592.

CCH Square Footage Occupied		
	Square Feet	%
District Attorney	20,615	16%
Grand Jury	2,514	2%
County Courts	32,994	26%
City Courts	62,642	50%
Comm of Jurors	7,590	6%
Total Square Ft	<u><u>126,355</u></u>	
Per Excel Schedule received from Facilities		

CCH MLR Budget	
Salaries & OT - day maintenance, DH&C mechanics	\$ 95,387
Employee Benefits	\$ 67,342
Supplies & Material - air filters, paper goods, misc supplies	\$ 17,870
All other expenses - trash removal, cleaning services	\$ 122,642
Utilities - gas & electric paid to National Grid	\$ 151,462
Maintenance agreements and repairs, communications	\$ 117,773
Insurance, Information Tech, WEP svcs	\$ 15,553
Provision for Capital projects	\$ 32,000
FM admin overhead costs	\$ 467,582
DH&C production and overhead costs	\$ 251,307
less: Revenue Adjustment for State Aid	\$ (262,611)
MLR Net	<u><u>\$ 1,076,307</u></u>
Total square footage	\$ 126,355
Cost per square foot	\$ 8.52
Cost per sq foot x sq ft occupied by City	\$ 533,710
2011 Adjustment to Actual	\$ 129,775
Debt Service	\$ 802,107
City Abstract Charge CCH	<u><u>\$ 1,465,592</u></u>

III. **Finding**

- 6) No finding. The methodology for the calculation of the abstract charge seems reasonable.

4. Justice Center

I. Background

In 1964, the City of Syracuse and Onondaga County entered into an Inter-Municipal Agreement which provided for the operation of the Syracuse City Jail located in the Public Safety Building.

This agreement was renegotiated in 1974 so that the Sheriff's office would assume all responsibility concerned with the booking and detention of persons arrested by Syracuse Police Personnel. These functions include: booking, processing, supervision, housing, transportation and discharge of City prisoners, as well as other duties prescribed by New York State law regarding the operation of a City lock-up.

In 2000, the City took issue with the amount being charged on the abstract and took the County to court. The court questioned the allocation of indirect costs and debt charges included in the calculation of the abstract cost. A Court negotiated settlement was reached in 2001 which resulted in the County agreeing to charge the City a flat fee for the years 2002-2004. The agreement expired at the end of 2004. The details of how the Court determined the flat fee were requested of the County Law Department and the City of Syracuse and could not be located.

II. Calculation

Currently, the charge is calculated using the recommended budgeted direct appropriations and fringe benefit appropriation for the Sheriffs Custody Division. A percentage (increase/decrease) is determined annually between the recommended budget and the previous year's adopted budget. That determined percentage (increase/decrease) is multiplied by the prior year's adopted abstract charge to arrive at the current abstract charge amount. An adjustment to actual costs is calculated on a two-year lag and any additional charge or credit is included in the next annual abstract charge amount (Exhibit C). The total abstract charge is \$5,906,300, which includes a credit of \$83,734 for the 2011 adjustment to actual cost. The charge does not include any of the Sheriff's salary, which is being charged to the Civil Division. The calculation of the abstract charge, per the court decision, does not allocate any of the following costs, which are being absorbed by the County: information technology, insurance, maintenance and repairs, communications, or debt.

III. Finding

- 7) There is no Inter-Municipal Agreement executed for the services the County provides to the City.

Recommendation: An Inter-Municipal Agreement should be executed for services that the County provides to the City.

Recommendation: A portion of the Sheriff's salary should be part of the Custody Division's budget.

5. Syracuse-Onondaga County Planning Agency (SOCPA)

I. Background

The Syracuse-Onondaga County Planning Agency (SOCPA) has been included as an inter-municipal charge on the City Abstract since 1969. SOCPA provides and promotes effective planning by the County and the City, towns and villages. There are 6 County positions located at the City Commons dedicated specifically to City of Syracuse Zoning. Salary and fringe benefit costs are allocated based on the time spent by SOCPA on administration, City zoning, City planning, infrastructure land use, Global Information System (GIS) and special City projects. All other costs (supplies, utilities, interdepartmental charges) are allocated based on the percentage of time spent by County employees on City functions. The City of Syracuse provides office space, maintenance and utilities. Computers, furnishings, office supplies and employees are provided by and are funded by the County.

II. Calculation

In June 2013, the County and City entered into an Inter-Municipal Agreement for a joint planning service officially designated as the Syracuse Onondaga County Planning Agency (SOCPA). The term of the agreement is from 1/1/2014 through 12/31/2025. The 2014 abstract charge is \$1,079,439, up from \$593,422 in 2013, as a result of the County absorbing all of the costs of the City Planning program.

The agreement states the City shall pay 50% of the cost of salary and fringe benefits for the SOCPA Director. The City shall pay annually to the County 100% of the costs of salaries and fringe benefits and other overhead costs (the charge for services) for the following positions: five Planner I positions; one Planner II position; two Planner III positions; one Clerk 2 position; and one Research Aide position. These positions are in the City Planning and City Zoning programs. The City is not charged for any IT, phones, MLR or Law expenses, as the City provides these services directly to the City programs. The City shall pay the charge for services annually through the City Abstract. An adjustment to actual costs will be calculated on a two year lag and any additional charge or credit will be included in the next annual abstract charge amount.

Syracuse -Onondaga County Planning Agency 2014 Abstract Breakdown			
Note: 2014 Abstract estimates are based on SOCPA distribution projections for 2014 and a reconciliation of 2012 revenue and expenses and 2013 City salaries for 7/1-12/31/2013			
Appropriations:	City SOCPA	County SOCPA	Total SOCPA
Salaries	\$ 572,993	\$ 489,442	\$ 1,062,435
Fringe Benefits	\$ 384,397	\$ 330,871	\$ 715,268
Supplies	\$ 8,000	\$ 4,850	\$ 12,850
Travel	\$ 4,500	\$ 4,000	\$ 8,500
Fees for Services	\$ 700	\$ 16,600	\$ 17,300
All Other	\$ 6,500	\$ 500	\$ 7,000
Rents	\$ 2,500	\$ 2,700	\$ 5,200
Contracted Services			
CNY Regional Plannin & Dev	\$ -	\$ 86,027	\$ 86,027
SMTC (100% pass thru)	\$ -	\$ 1,258,768	\$ 1,258,768
CNY Regional Transportation	\$ -	\$ 2,409,878	\$ 2,409,878
Interdepartmentals	\$ 27,961	\$ 160,944	\$ 188,905
Contingent Account	\$ -	\$ 161,622	\$ 161,622
Total Appropriations	\$ 1,007,551	\$ 4,926,202	\$ 5,933,753
2014 estimate	\$ 1,007,551		
2012 adjustment to actual	\$ (43,141)		
2013 merger estimate	\$ 115,029		
2014 City Abstract	\$ 1,079,439		

III. Finding

- 8) No finding. The methodology for the calculation of the abstract charge seems reasonable.

6. Department of Aging and Youth – Youth Bureau

I. Background

The joint City/County Youth Bureau was created in 1968 per Onondaga County Legislative Resolution #196 1968. The purpose of the Youth Bureau is to coordinate and supplement the activities of the public, private and religious agencies devoted in whole or part to the welfare and protection of youth.

II. Calculation

The City and County agreed to share equally in the net expenses of the annual operating budget of the Youth Bureau after deducting any reimbursement from the New York State Division for Youth (NYS Office for Children & Family Services). The City and the County each pay 25% to equal the 50% match funding that the State requires. When there is no State match, the City and County split the costs equally. Per the agreement, the City's share of costs is to be paid through the City Abstract. A budget to actual cost adjustment is done on a two-year lag and any additional charge or credit will be included in the next annual abstract charge amount. The agreement expired in 2002 and no new agreement has been executed.

Since there is no provision in NYS's Office for Children and Family Services for the operation of a joint program with all the aid going to one disbursing agency, the City receives their share of aid directly. The Youth Bureau incurs the costs and is considered as the disbursing agency. It completes all the state aid vouchers, including those for the City. The City vouchers are sent to the City for an official signature and returned to the Youth Bureau for submission to the State. Any aid received by the City is ultimately recovered through the abstract calculation.

The 2013 Youth Bureau Admin Budget is \$563,730.

- The net administrative budget is determined by reducing the department's total appropriations by program expenditures that are 100% reimbursable from the State.
- The net administrative budget is adjusted for unallowable costs (employee benefits and indirect costs), anticipated revenues from other programs (i.e.: Special Delinquency Prevention Program and Runaway Homeless Youth), and revenue from other county sources (i.e., Office of Aging; Dept. of Social Services) to determine the reimbursable budget.
- The reimbursable budget is reduced by the State Aid Administrative Cap which includes the 50% match required from the County. The resulting balance represents the amount over the State Aid Cap.

- Once these amounts are known, the allocation of costs between the City and County can be determined as follows:
 - The 50% required match amount is split equally between the City and County
 - The amount over the state aid cap is split equally between the City and County
 - The non-reimbursable costs (employee benefits and indirect costs) are split equally between the City and County
- The amount of State Aid the City receives directly is added back to the City's share of costs.
- The costs for programs not reimbursed by State Aid are split equally between the City and County.
- An adjustment to actual is performed on a two year lag and added or subtracted from the City's share of costs.

The calculation of this charge is done by the Director of the Youth Bureau. The abstract charge for 2013 is \$234,130.

Department of Aging and Youth - Youth Bureau	
Administrative Budget:	
Total Salaries	\$ 301,218
Supplies & Materials	\$ 1,350
Maint, Utilities, Rents	\$ 1,000
All other expenses	\$ 1,400
Travel/Training	\$ 1,500
Employee Benefits	\$ 162,440
Interdepartmental Charges	\$ 94,822
Total Admin Budget	\$ 563,730
Less: Revenues that cover Admin exp.	\$ (131,929)
Less: State Aid	\$ (43,754)
Net expenses:	\$ 388,047
City share 50% of expenses after State Aid	\$ 194,024
Add: State Aid received directly by City	\$ 18,752
Add: Local \$ Salvation Army	\$ 30,412
Less: 2011 actual adjustment	\$ (9,058)
City Abstract charge	\$ 234,130

Local funds are provided to the Salvation Army Runaway and Homeless Youth Program. This program provides shelter, supported residences, independent living, hotline services and case management for runaways and older homeless youth aged 13-20.

III. **Finding**

- 9) The agreement between the City and County expired in 2002.

Recommendation: The County and City should enter into an Inter-Municipal Agreement.

7. Department of Aging and Youth – Aging

I. **Background**

The Metropolitan Commission on Aging was established during the spring of 1971 to be a planning and coordinating unit for services to the elderly. In September of that year, the Common Council of the City of Syracuse and the Onondaga County Legislature passed legislation which created the Commission as a combined agency of both units of government. The Common Council of the City of Syracuse passed General Ordinance #40 1971 and the County Legislature adopted Resolution #377 1971 authorizing the Commission. Both pieces of legislation stated “the expenses as approved by the City and County governing bodies for carrying on the Commission’s activities shall be apportioned equally between the City and the County respectively hereto shall take such action as is necessary and proper to provide for the payment of its share of said expense”.

II. **Calculation**

Per a review of past County Resolutions, the sharing of costs has been discontinued. There has been no mention of the City share since Resolution #124 1994. That resolution stated “RESOLVED, that the Onondaga County Office for the Aging hereby assumes all of the rights, liabilities, contractual obligations and commitments of the Metropolitan Commission of Aging; and be it further RESOLVED, that in all other respects, Resolution #377 dated September 7th, 1971 as amended, shall remain in full force and effect.

The abstract charge has been a straight \$25,000.00 each year since 1981. Resolution #268 1982 states “whereas the total budget for the operation of the Metropolitan Commission on Aging under Title III-B for such period is projected not to exceed the amount of \$200,000 and it is anticipated that the State of New York Office for the Aging will prepare a contract wherein the County of Onondaga will receive up to the amount of \$150,000 for the operation of the Metropolitan Commission on Aging, and the balance of up to \$50,000 as a local share will be divided between the County and the City, the County’s share being no more than \$25,000.”

III. Finding

- 10) There has not been a formal written agreement between the municipalities other than Resolution #377 1971. The language in Resolution #377 1971 does not identify any one program in which the City will equally share the cost. There are other programs within the Department of Aging that require a local share match.

Dept of Aging and Youth - Aging NGA 1/1-12/31/2012			
Title III-B	Federal	Local Match - Ca	\$ 96,856
Title III-C1	Federal	Local Match - Ca	\$ 76,835
Title III-C2	Federal	Local Match - Ca	\$ 42,699
Title III-D	Federal	Local Match - Ca	\$ 5,000
Title III-E	Federal	Local Match - Ca	\$ 71,793
			\$ 293,183

Source: The above chart is taken from the 2012 Notification of Grant Award.

Recommendation: The abstract charge to the City should be 50% of the Title III-B local match with an adjustment to actual due to the fact that the abstract charge is only an estimate until the Notification of Grant Award (NGA) is finalized. It appears that the local match for Title III-B per the 2012 NGA was \$96,856. With a 50% sharing of the local match, the City’s share would have been \$48,428. The County and City should enter into an Inter-Municipal Agreement that more clearly defines what the expenses consist of that are to be split between the two entities.

8. Onondaga County Public Library – Branches

I. Background

Onondaga County runs the Syracuse Branch Libraries, which provide library services to residents of the City via 8 branch libraries and 2 satellites in community centers: Beauchamp, Betts, Hazard, Mundy, Paine, Petit, Soule, White, Northeast Community Center and Southwest Community Center. Services provided range from on-site librarian assistance for accessing and using the library's resources, providing access to and instruction in the use of computers for homework, business and personal use, to providing homework help.

II. Calculation

The County provides the personnel, equipment, library computer system, supplies, public relations and library resources for the Branches. The abstract charge consists of budgeted direct charges for the operation of the branch and satellite libraries plus an allocation of interdepartmental charges that consist of technical services for processing/automation, personnel office, business office, payroll, stockroom, administrative services, director/admin aide, print shop, public information, typing pool, and delivery. A budgeted amount for each expenditure line item is developed based on the previous year's actual expenditures. Anticipated revenues and surplus fund balance from two years prior offset the total expenditures. The remaining expenditures not covered are charged on the City Abstract. The interdepartmental allocation is based on services provided by the Central library to the branches and satellites. A budget to actual costs reconciliation is calculated by offsetting current year budgeted expenditures with 100% of the undesignated fund balance from two years prior. No contract or agreement exists for the charge. The 2013 abstract charge is \$6,292,223.

OCPL-Syracuse Branch Libraries Budget	
Salaries/Wages & Overtime	\$ 2,839,642
Employee Benefits	\$ 1,606,246
Supplies & Material	\$ 73,328
Library Books & Materials	\$ 379,802
Maitn, Utilities, Rents	\$ 225,079
Professional Services	\$ 98,184
All Other Expenses	\$ 104,921
Travel/Training	\$ 4,000
Furn, Furnishings & Equip	\$ 30,500
Prov for Capital Projects	\$ 30,000
Interdepartmental Charges	\$ 884,941
Prov for Res for Bonded Debt	\$ 270,000
Total Expenditures	\$ 6,546,643
Less: Offsetting Revenues and Fund Balance	\$ (254,420)
Net Expenditures	\$ 6,292,223

III. Finding

- 11) No current agreement exists for the calculation of the charge.

Recommendation: An Inter-Municipal Agreement should be executed for the services the County provides to the City.

- 12) The Onondaga County Public Library (OCPL) does receive State Aid; however, it does not appear that any of the aid is allocated to the City branch and satellite libraries.

Recommendation: A review of the State Aid should be done to verify if any of the aid received should be allocated to the services charged to the City.

- 13) OCPL has staff that performs job duties for locations throughout the entire library system. The allocation of costs is done per individual by reviewing the previous year with a supervisor and adding any anticipated changes for the upcoming year.

Recommendation: The OCPL should perform time studies for personnel that are not 100% aligned with a particular budget. This would allow for the most accurate allocation of costs to each library location.

Other Abstract Charges

The City Abstract contains a charge for uncollected property taxes that is equal to 2% of the total inter-municipal charges (See items 1-8 outlined above). For 2013 the charge was \$352,592. The finance department estimated that 93% of the abstract charges are collected within the first year. The 2% charge on the abstract helps to ease the loss of tax revenue to the County for any charges not collected and therefore written off after six years.

Per the New York State Report of Collection of Taxes in Onondaga County Unconsolidated Laws of 1937, Chapter 690 paragraph 5, “The City shall be entitled to one percent of the total state and county taxes levied as a fee for collecting same. Said one percent collection fee as well as an estimated amount for aforesaid discounts shall be included in the City Abstract.” The 2013 City collection fee was \$418,366 (1% of the total of the inter-municipal charges, apportionment of taxes and the uncollectible fee).

Resolution No.

Exhibit A - Syracuse Common Council Resolution 33-R 1996

page 1 of 2

RESOLUTION ADVISING THE ONONDAGA COUNTY EXECUTIVE AND THE ONONDAGA COUNTY LEGISLATURE THAT THE SYRACUSE COMMON COUNCIL INTENDS THAT THE CITY OF SYRACUSE WILL COMMENCE PAYING FOR THE CITY'S SHARE OF COSTS AND EXPENSES, WHICH ARE CURRENTLY CHARGED ON THE CITY ABSTRACT, DIRECTLY IN THE CITY BUDGET AND THAT SUCH COST AND EXPENSES SHOULD NOT BE INCLUDED IN THE 1998 CITY ABSTRACT

WHEREAS, there has been considerable controversy regarding the City Abstract method of payment for services and expenses as inappropriate and misleading to taxpayers; and

WHEREAS, the cost for services and expenses currently approaches 14 million dollars; and

WHEREAS, the costs are not currently subject to the Common Council's review as part of the City's annual budget deliberations; and

WHEREAS, the New York State Comptroller and the Onondaga County Comptroller both have criticized the Abstract method of payment as falsely representing the City's and County's tax rates to taxpayers; and

WHEREAS, there are unnecessary costs to both the City and the County associated with this collection method because of the one percent collection fee amounting to millions of dollars over the years; and

WHEREAS, by including Abstract fees in the City budget, better oversight will be achieved over what was heretofore essentially escalating costs and a ceremonial review; and

WHEREAS, it is the desire of the Syracuse Common Council to advise the Onondaga County Legislature that it will cease accepting costs and expenses for services in the City Abstract and that these costs should be billed directly and annually reviewed;

NOW THEREFORE

BE IT RESOLVED, that it is hereby the policy of the Syracuse Common Council to terminate the practice of including in the City

Abstract charges and expenses for services provided by the County and/or funding of various agreements between the City and County, and

BE IT FURTHER RESOLVED, that this policy shall take effect in the City's budget for fiscal year 1997-98 which will impact the 1998 City Abstract, and

BE IT FURTHER RESOLVED, that the City Clerk is requested to immediately send a certified copy of this resolution to the Onondaga County Executive, to all members of the Onondaga County Legislature, the Onondaga County Comptroller, the Mayor, and the City Auditor.

Motion Made By Mr. Colon

RESOLUTION NO. 119
MEMORIALIZING THE CITY OF SYRACUSE TO PROVIDE THE COUNTY OF ONONDAGA WITH AN OFFICIAL STATEMENT OF THE CITY'S POSITION WITH REGARD TO THE INCLUSION OF CHARGES IN THE CITY ABSTRACT.

WHEREAS, the City of Syracuse collects County property taxes on behalf of Onondaga County within the City of Syracuse; and

WHEREAS, the mechanism the City and County employ for levying County property taxes within the City is the City Abstract; and

WHEREAS, over a period of years extending as far back as 1901, a number of other charges have been added to the City Abstract; and

WHEREAS, these abstract charges have typically represented the cost of a service or services provided by the County within the City; and

WHEREAS, in recent years, these abstract charges have come to represent approximately 28.1 percent of the total City Abstract; and

WHEREAS, the New York State Comptroller has criticized both the City and County for their use of the City Abstract to fund charges for services; and

WHEREAS, there has been considerable discussion by this Legislature about the merits of continuing to use the City Abstract to fund charges for services; and

WHEREAS, it is the desire of this Legislature to fully air and finally resolve this matter by deciding explicitly to continue to use the City Abstract to fund services, by deciding to eliminate the use of the City Abstract to fund services, or by eliminating one or more, but not all, charges for services from the City Abstract; and

WHEREAS, this Legislature cannot fruitfully discuss and decide this matter without the active participation of the City of Syracuse; and

WHEREAS, this Legislature requires, as a beginning, a clear expression of the City's position with regard to the use of the City Abstract to fund charges for services; now, therefore be it

RESOLVED, that this Legislature has determined that it is desirable to fully air and finally resolve the issue of continuing to include charges for services on the City Abstract; and, be it further

RESOLVED, that this Legislature has determined that the active participation and cooperation of the City of Syracuse is necessary to resolve the issue; and, be it further

RESOLVED, that this Legislature has determined that the first necessary step in this process is a clear expression of the City's position on the inclusion of charges for services on the City Abstract; and, be it further

RESOLVED, that this Legislature hereby requests the City of Syracuse to provide the County of Onondaga with an official, written statement of the City's position with regard to the inclusion of charges for services on the City Abstract; and, be it further

RESOLVED, that a copy of this resolution be sent to the Mayor of the City of Syracuse, to the President of the Syracuse Common Council and to the members of the Syracuse Common Council.

ADOPTED. Ayes: 16 (Colon, Kraft, Meyer, Boehlert, Walsh Hood, Ohl, Corbett, Baker, Pickard, Mulroy, Sweetland, Warner, Smith, Laguzza, Andrews, Mr. Chairman) Nays: 8 (Delaney, Ryan, Oglesby, Roberts, O'Hara, Stanczyk, Kinne, Harlow)

Motion Made By Mr. Oglesby, Mrs. Baker, Mr. Delaney, Mr. Harlow, Mr. Laguzza, Mr. Kinne, Ms. O'Hara, Mr. Ohl, Mr. Roberts, Mr. Ryan, Mr. Stanczyk

RESOLUTION NO. 119

MEMORIALIZING THE CITY OF SYRACUSE THAT THE ONONDAGA COUNTY LEGISLATURE INTENDS TO REMOVE FROM THE CITY ABSTRACT THE CITY'S SHARE OF THE COSTS AND EXPENSES CHARGED FOR SERVICES AND WILL COMMENCE BILLING THE CITY DIRECTLY FOR SUCH COSTS AND EXPENSES.

WHEREAS, no signed Memorandum of Understanding exists between the City of Syracuse and Onondaga County authorizing charge backs to be collected off the City abstract; and

WHEREAS, the method of payment is not a function of statutory authority and is therefore arbitrary, illegal, and inappropriate; and

WHEREAS, the New York State Comptroller has previously criticized the abstract method of payment as overstating the City's tax margin as a percentage of the City's tax limit (currently \$50 million); and

WHEREAS, the Onondaga County Comptroller has criticized the abstract method of payment for services as falsely overstating the County's tax rate to the City and falsely understating the City's tax rate to its residents; and

WHEREAS, as a result of falsely overstating the County's tax rate to the City, there are unnecessary and inappropriate costs incurred by the County which costs would not be incurred if services were billed directly to the City; and

WHEREAS, the Laws of 1937, Chapter 690 state that the County will pay the City one percent of the County taxes levied as a collection fee; and

WHEREAS, the City Abstract collection fees for 1995 totaled \$491,863.77, which is 86.1 percent of the entire budget for the Finance Office of the City of Syracuse (i.e., \$576,711); and

WHEREAS, since 1986 the City Abstract collection fees have totaled over five million dollars; and

June 3, 1996

WHEREAS, in addition to the one percent collection fee, the County has historically written off in the City 2.5 percent of the County tax levy which, if added to the one percent collection fee (based on the 1995 tax abstract), means that the County has absorbed a \$499,500 loss by not billing the City directly for the cost of services; and

WHEREAS, since 1987 the service fees have increased 100 percent, rising from \$6,741,221 in 1987 to \$13,760,857 in 1996; and

WHEREAS, the total service fees since 1986 is in excess of \$123 million; and

WHEREAS, if the practice of charging true City of Syracuse costs as part of the County levy of property within the City were terminated in 1996 the County tax levy paid by City residents would have decreased a minimum of \$40,000; and

WHEREAS, for example, the 1996 City Abstract as adopted by Resolution No. 211-95 levied and assessed for collection a total amount of \$49,054,872.00 including a sum for city services in the amount of \$13,760,857.30, fixing the County's tax rate for the City of Syracuse at \$140.32 per one thousand; and

WHEREAS, by removing the costs of City services and the one percent collection fee and billing the City directly, the net City abstract for 1996 would have been \$34,808,322.90 resulting in a County tax rate for the City of Syracuse at \$99.57 per thousand or a difference of \$40.75 per one thousand assessment; and

WHEREAS, by way of further example, in 1995 the general budget for the City of Syracuse was \$151,574,000, and had the City Abstract service fees been included, the general budget would have been \$165,676,000 (an addition of approximately 8.5 percent); and

WHEREAS, there are five direct benefits to terminating payment for City services via the abstract: 1) the County's tax rate would decrease and reflect genuine taxes; 2) the County would significantly reduce losses due to City write offs; 3) the City could realistically put forth a budget which manifested all of its expenses and thereby render judgments as to what taxpayers could afford; 4) the total tax amount paid by City residents would not increase; and 5) City taxpayers would annually save \$143,000 by omitting the 1% collection fee for services; and

WHEREAS, it is the desire of the Onondaga County Legislature to cease the practice of including in the City Abstract the City's share of costs and expenses for services and to commence billing the City directly for such services; and

WHEREAS, it is the further desire of this Legislature to advise the City at this date that the Onondaga County Legislature intends to terminate the practice of including on the City Abstract costs for City services; now, therefore be it

RESOLVED, that it is hereby declared the policy of the Onondaga County Legislature to terminate the practice of including on the City Abstract charges for City services; and, be it further

RESOLVED, that this Legislature, recognizing that the City of Syracuse operates on a different fiscal year than the County, hereby puts City of Syracuse officials on notice that the 1997 City Abstract no longer will include any costs for additional services, that the City will henceforth be billed for City services directly, and that the City budget for its fiscal year 1996 - 1997 should be calculated accordingly; and, be it further

RESOLVED, that the Clerk of this Legislature hereby is requested to send a certified copy of this resolution to the Mayor and the Common Council of the City of Syracuse.

DEFEATED. Ayes: 11 (Obl, Baker, Delancy, Laguzza, Ryan, Oglesby, Roberts, O'Hara, Stanczyk, Kinne, Harlow) Noes: 13 (Colon, Kraft, Meyer, Boehlert, Walsh Hood, Corbett, Pickard, Mulroy, Sweetland Warner, Smith, Andrews, Mr. Chairman)

Motion Made By Mr. Meyer

RESOLUTION NO. 120

AUTHORIZING THE DISCONTINUANCE OF CONDEMNATION PROCEEDINGS AND THE ACCEPTANCE OF OPTION TO PURCHASE PROPERTY FOR THE IMPROVEMENT OF TAFT SETTLEMENT ROAD, PART I, C.R. NO. 18, TOWN OF DEWITT, ONONDAGA COUNTY FROM MYRON ZAPPALA

WHEREAS, Resolution No. 222, adopted by the Onondaga County Legislature on November 6, 1995 authorized the commencement of proceedings for the acquisition of certain real property necessary for the improvement of Taft Settlement Road, Part I, C.R. No. 18, Town of Dewitt, owned by Myron Zappala; and

WHEREAS, subsequent thereto an agreement was reached with the above mentioned owner to discontinue the 1995 condemnation proceedings, and the County Attorney has obtained, on behalf of the County of Onondaga, options to purchase the following right-of-way:

NAME:	MAP NO.:	SIZE (ACRES):	AMOUNT:
Myron Zappala	2	0.130	\$7,500.00

WHEREAS, the above price is considered fair and reasonable for the discontinuance of the 1995 condemnation proceedings and for the property rights acquired; and

WHEREAS, SEQRA has been complied with by virtue of Resolution No. 41 of 1996, wherein this Legislature, acting as lead agency, made a negative declaration under SEQRA; now, therefore be it

RESOLVED, that the above-mentioned option be and hereby is accepted at the above amount and that the County Comptroller be and he hereby is directed to draw a check payable to the owner of the property in payment thereof, said check to be delivered to the County Attorney who shall obtain a proper discontinuance before delivery of said check, and that said sum be, and hereby is, made a charge upon the proper fund or funds; and, be it further

RESOLVED, that the Resolution No. 222, adopted by the Onondaga County Legislature on November 6, 1995, is rescinded as it pertains to the property of Myron Zappala.

DEFEATED. Ayes: 9 (Colon, Meyer, Walsh Hood, Corbett, Pickard, Mulroy, Sweetland, Kinne, Mr. Chairman) Noes: 14 (Kraft, Boehlert, Ohl, Baker, Delancy, Smith, Laguzza, Ryan, Oglesby, Roberts, O'Hara, Stanczyk, Harlow, Andrews) Absent: 1 (Warner)

Calculation of the Justice Center charges on the City of Syracuse Abstract

Overview

The Onondaga County Sheriff's Department performs various functions for the City of Syracuse relating to processing and detention of individuals arrested within The City of Syracuse. These functions include; booking, processing, supervision, housing, transportation, and discharge of City Prisoners, as well as other duties prescribed by New York State law regarding the operation of a city lock-up.

Inmates are pre-arraigned and once an inmate is arraigned, bail is either set and met where the inmate is subsequently released on their own recognizance, or the inmate is remanded to the custody of the Sheriff.

Calculation of Abstract Charge

Justice Center costs for 2004 were stipulated by Court order. A simplified calculation is performed each year, in which budgeted direct appropriations and fringe benefit appropriations for the Sheriff's Custody Division are utilized.

- A percentage increase or decrease is determined annually between the Custody Division's budgeted appropriations (as noted above) for the upcoming budget year in comparison to the adopted appropriations for the previous budget year.
- The percentage increase or decrease is then multiplied by the prior year's abstract adopted by the County Legislature. This becomes the current year's base charge.
- An adjustment to actual is calculated. This amount is either added or credited to the base charge above. As an example, the 2013 abstract charge includes a credit adjustment for the 2011 year.
- Justice Center amount charged to City of Syracuse via County Legislature Resolution.

Step 1

	2012 Adopted Budget	2013 Rec Budget	
Direct Appropriation	\$28,471,780	\$28,866,605	1.39%
Fringe Appropriation	\$10,622,365	\$11,172,268	5.18%
2013 inc/(dec)	\$39,094,145	\$40,038,873	2.42%

Step 2

2012 Adopted Abstract	\$6,097,786
2013 % increase/(decrease)	2.42%
2013 Abstract Charge before Adjustments	\$6,245,142

Step 3

	2010 Actual Expenditures	2011 Actual Expenditures	
Direct Appropriation	\$19,502,291	\$27,090,371	
Fringe Appropriation	7,709,785	9,421,901	
Correctional Health	8,398,910	-	
	\$35,610,986	\$36,512,272	2.53%
2010 Actual Abstract	\$5,127,057		
% inc/(dec) between 2011 & 2010	2.53%		
2011 actual Abstract	\$5,256,819		
2011 Adopted Abstract	\$5,595,661		
City debit/(credit)	(\$338,842)		

Step 4

2013 Rec Abstract	\$6,245,142
City debit/(credit)	(\$338,842)
Amount charged via County Resolution	\$5,906,299

During review of the calculation it was noted that the amount passed via County Legislative Resolution is not updated to reflect the actual adopted budget, but is passed based on the initial recommended budget amounts. The following is the calculation based on the adopted budget. Although the difference is immaterial, it is recommended the resolution amounts reflect the adopted budget amounts.

Step 1

	2012 Adopted	2013 Adopted	
Direct Appropriation	\$28,471,780	\$28,913,416	1.55%
Fringe Appropriation	\$10,622,365	\$11,156,710	5.03%
2013 inc/(dec)	\$39,094,145	\$40,070,126	2.50%

Step 2

2012 Adopted Abstract	\$6,097,786
2013 % increase/(decrease)	X 2.50%
2013 Abstract Charge before Adjustments	\$6,250,017

Step 3

	2010 Actual Expenditures	2011 Actual Expenditures	
Direct Appropriation	\$19,502,291	\$27,090,371	
Fringe Appropriation	7,709,785	9,421,901	
Correctional Health	8,398,910	-	
	<u>\$35,610,986</u>	<u>\$36,512,272</u>	2.53%
2010 Actual Abstract	\$5,127,057		
% inc/(dec) between 2011 & 2010	2.53%		
2011 actual Abstract	\$5,256,819		
2011 Adopted Abstract	\$5,595,661		
City debit/(credit)	(\$338,842)		

Step 4

2013 Rec Abstract	\$6,250,017
City debit/(credit)	(\$338,842)
Amount charged via County Resolution	\$5,911,174

The difference between the abstract amount, authorized by Legislative resolution based on the recommended budget versus the actual adopted budget for the 2013 year is \$4,875 less. Although the actual amounts are reconciled and included in the following year, the resolution should reflect the actual adopted budget.

City Expenses Included in County Tax Levy

Finding

The City of Syracuse and County of Onondaga have entered into various municipal cooperation arrangements under which the county makes certain facilities available to the city or serves as administrator and/or fiscal agent for joint undertakings. The city's share of costs incurred in connection with these activities is recovered by the county through a tax levy on real property in the city when, in fact, these items are not county charges but expenses of the city.

The following amounts relating to city-county cooperation arrangements were included in the county tax levies for 1996 and 1997 on taxable property in the city:

Function	Agency/Activity	1996	1997
Public Safety	Public Safety Building, Garage and City Jail - Justice Center	\$4,554,261	\$4,669,087
	Department of Emergency Communications	3,596,033	2,915,308
Economic Assistance and Opportunity	Office for the Aging	25,000	25,000
Culture and Recreation	Public Library	4,241,561	4,168,997
	Syracuse - Onondaga County Youth Bureau	195,899	207,996
Home and Community Services	Syracuse-Onondaga County Planning Agency	514,912	470,061
	Human Rights Commission	165,174	159,595
Other	Other Miscellaneous Charges	489,567	410,021
		<u>\$13,782,407</u>	<u>\$13,026,065</u>

Neither the city budget nor the city's annual financial report reflect either the aforementioned taxes or the related expenditures.

As noted above, taxes in excess of \$13 million were raised in both 1996 and 1997 for city-county cooperation arrangements. The current practice of including these taxes on the county levy rather than including the taxes and related appropriations in the city's annual budget results in hidden city expenditures and deprives taxpayers of the opportunity to express their objections, opinions or concerns. In addition, the city's annual financial report should be a complete and accurate representation of its financial position and results of its operations as of and for the year being reported. When city expenses are included on the county tax levy, the related real property tax revenues and expenditures are not reflected in the city's annual financial report. This results in the understatement of revenues and expenditures in the city's annual financial report. Lastly, the levying of taxes by the county on behalf of the city could enable the city to circumvent its constitutional tax limit.

A similar finding was included in the reports of our two prior examinations.

Recommendation

City officials should take steps to ensure that taxes for the city's share of the cost of municipal cooperation arrangement with Onondaga County are not levied by the county. Appropriations for these expenses should be included by the city in its annual budget and taxes therefore levied by the city as city taxes. The tax revenues and related expenditures should be reflected in the city's annual financial report.

Information per 2012-13 Budget found on City of Syracuse website

Exhibit E

COMPUTATION OF CONSTITUTIONAL TAXING POWER

For Assessment Rolls Completed in Year	Total Assessed Valuation of Taxable Real Estate	Special State Equalization Ratio	Full Valuation of Taxable Real Estate
2008/2009	\$3,622,263,893	83.64%	\$4,330,779,403
2009/2010	\$3,651,668,347	83.16%	\$4,391,135,578
2010/2011	\$3,696,960,379	84.54%	\$4,373,030,966
2011/2012	\$3,693,049,305	81.60%	\$4,525,795,717
2012/2013	\$3,723,194,634	79.72%	\$4,670,339,481
Total Full Valuation			\$22,291,081,146
Five-Year Average Full Valuation			\$4,458,216,229
Two Percent Five-Year Average Full Valuation			\$89,164,325
Net Debt and Capital Exclusions			
City		\$24,725,971	
School District		\$13,216,425	
Total Exclusions			\$37,942,396
Maximum Taxing Power			\$127,106,721
Tax Levy			
City		\$33,515,813	
School District		\$64,617,911	
Combined Tax Levy			\$98,133,724
CONSTITUTIONAL TAX MARGIN			\$28,972,997

98,133,724

18,400,537

Inter-Municipal Charges

116,534,261

92%

77%



County of Onondaga

**Joanne M. Mahoney
County Executive**



City of Syracuse

**Stephanie A. Miner
Mayor**

April 10, 2014

Hon. Robert E. Antonacci, CPA, Esq.
Onondaga County Comptroller
14th Floor, John Mulroy Civic Center
421 Montgomery Street
Syracuse, New York 13202

Hon. Martin D. Masterpole
Syracuse City Auditor
433 City Hall
233 East Washington Street
Syracuse, New York 13202

Mr. Antonacci and Mr. Masterpole:

Thank you for this opportunity to respond to your draft audit of the 2013 City Abstract.

As noted in your audit, the annual legislative resolution commonly known as the City Abstract was authorized by the New York State Legislature in 1937. The practice of allocating and sharing the cost of services delivered to City residents by County departments dates back more than a century. These services, including the operation of the city's public libraries, public safety building, criminal courthouse, center for forensic science, as well as planning, zoning, aging, and youth services, allow City residents to benefit from the much efficiency provided by this consolidation of services.

As the audit notes, the abstract is approved by the County Legislature each fall as it reviews and votes on the county budget. After the County Legislature takes its action, the City Council also annually votes on the abstract.

Your audit covers the 10 services provided under the abstract. In several instances, the audit recommends that city and county staff review and update the allocation of space and salary expenses for these services and enter into intermunicipal agreements in the cases where no such agreement now exists.

We believe this recommendation is valid. While city and county administrative staff met regularly to discuss the services reviewed in your audit, we will work to update how those allocations are calculated and include them as part of a more formal contract where this is advisable.



County of Onondaga

Joanne M. Mahoney
County Executive



City of Syracuse

Stephanie A. Miner
Mayor

The audit calls for more transparency regarding the overall abstract. We would respectfully disagree that the abstract process is not transparent. The abstract charges are developed and approved on an annual basis as part of the County's budget process. These charges are reviewed initially by the City's administration and then by the County Legislature's Ways & Means Committee before being approved by the full Legislature. This review process results in transparency and allows for a thorough and complete review Syracuse Common Council consideration and approval follows shortly thereafter. .

These reviews and votes by the legislative bodies of the county and city are done in multiple open legislative sessions with prior public notice. While we believe these actions provide adequate disclosure each year, the City of Syracuse will add a new step and include the abstract charges in the city budget which is presented to the Common Council in April 2015. As you know, the city's budget cycle (July 1 – June 30) differs from the County's but inclusion of the abstract charges in the city's spring budget cycle will focus additional attention on these services.

Again, we appreciate the depth of research that went into the review of the 10 services covered by the abstract. Your work will be a valuable asset as the City and County staffs annually look at the sharing of these costs.

Sincerely,

Bill Fisher
Deputy County Executive

Beth Rougeux
Director of Administration