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May 15, 2015

Joanne M. Mahoney, County Executive
Members of the County Legislature
County of Onondaga
421 Montgomery Street
Syracuse, NY 13202

Report Number: S9-14-70

Dear County Executive Mahoney and Members of the County Legislature:

The Office of the State Comptroller works to help local government officials manage their resources efficiently and effectively and, by so doing, provide accountability for tax dollars spent to support operations. The Comptroller oversees the fiscal affairs of local governments statewide, as well as compliance with relevant statutes and observance of good business practices. This 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 11 municipalities (two counties, one city, six towns and two villages) throughout New York State. The objective of our audit was to determine if each municipality followed the terms and conditions of its Parkland Alienation Bill (Legislation). We included the County of Onondaga (County) in this audit. Within the scope of this audit, we examined parkland alienations that have occurred for the period January 1, 2011 through December 31, 2013. Following is a report of our audit of the County. 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 specific to the County. We discussed the findings with County officials and considered their comments, which appear in Appendix A, in preparing this report. At the completion of our audit of the 11 municipalities, we prepared a global report that summarizes the significant issues we identified at all of the municipalities audited.

Summary of Findings

We found that the County has met all the terms and conditions of the Legislation.

Background and Methodology

The County is governed by a 17-member Board, which includes the County Executive. The County Executive is the County's chief executive officer and is responsible for the County's day-to-day operations. The County's 2013 general fund budget amounted to approximately \$870.6 million. The County has designated approximately 6,500 acres of parkland.

“Parkland alienation” occurs when a municipality seeks to sell, lease or discontinue the use of municipal parkland. Parkland alienation applies to every municipal park¹ in the State, whether owned by a city, county, town or village. In order to convey parkland to a non-public entity or to use parkland for another purpose, the municipality must receive prior authorization from the New York State Office of Parks, Recreation and Historic Preservation (State Parks) in the form of legislation enacted by the New York State Legislature (Legislature) and approved by the Governor. The bill by which the Legislature grants its authorization is commonly referred to as a “parkland alienation” bill.

The core legal basis governing the use of parkland comes from common law, called the “public trust doctrine.” The doctrine is defined by 150 years of State court decisions, which explain when municipalities must seek State legislative approval to alienate public parkland. Otherwise, it would be tempting for municipalities to view parkland as a fiscal resource that can be sold, or leased, to raise money or used for other government uses to avoid paying for private land.

The requirements for parkland alienation bills vary depending upon whether or not State dollars have been invested in the municipal park that is being considered for a potential change of use. In cases where State dollars were invested using a grant, in addition to having the Legislature approve the alienation, the municipality that received the grant is subject to certain requirements upon accepting that grant. In these cases, in addition to common law, there are also statutes that require the municipality to provide lands of equal fair market value to replace the parkland being lost.

State Parks suggests municipalities follow a 10-step process when considering a change of use of parkland or recreational areas. The role of State Parks is to provide advice and guidance to the municipality, concerned citizens, the Governor and the Legislature. State Parks will work with legislative sponsors, making recommendations regarding provisions that might be included to assure the maximum protection of parklands. State Parks will then advise the Governor on the alienation bill passed by the Legislature prior to it being signed into law. In addition, State Parks may conduct a site inspection of the parkland in question to gather further information.

We conducted our audit in accordance with generally accepted government auditing standards (GAGAS). Such standards require that we plan and conduct our audit to adequately assess those operations within our audit scope. Further, those standards require that we understand the management controls and those laws, rules and regulations that are relevant to the operations included in our scope. We believe that our audit provides a reasonable basis for the findings and conclusions contained in this report. More information on such standards and the methodology used in performing this audit is included in Appendix B of this report.

¹ Parkland can either be dedicated for park purposes through a formal action, or parkland can be dedicated through implied dedication (based on how the land is used, i.e., a playground, or land mapped as a park for planning purposes).

Audit Results

Municipally owned parkland and open space are nonrenewable resources that should be carefully preserved in all communities. Once lost to another use, open space is difficult to recover. New York State strongly endorses the maintenance and expansion of municipal parks and open space, and the recreational opportunities they offer. The State also prescribes to a “no net loss of parkland” policy.

In 2012, the County sought legislative approval for parkland alienation. The County received legislative approval to re-authorize a lease for property in Onondaga Lake Park, known as the “Boathouse” (2.5 acres), to Syracuse University for boating and recreational activities for up to 25 years. The Legislation indicated that the County must dedicate an amount equal to or greater than the fair market value of the lease for the capital improvement of Onondaga Lake Park, capital improvements to existing park and recreation facilities or the acquisition of additional waterfront park and recreational facilities.

The County also sought legislative approval for parkland alienation signed into law in 2013 relating to additional land at Onondaga Lake Park authorizing a lease to the Syracuse Chargers Rowing Club. However, the related lease had not been executed as of the date of our site visit. Therefore, we excluded this parkland alienation from the scope of our audit.

We found that the County has met all the requirements of its Legislation as of the date of our site visit.

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

Sincerely,

Gabriel F. Deyo
Deputy Comptroller

APPENDIX A

RESPONSE FROM COUNTY OFFICIALS

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



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Liverpool, NY 13088
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OnondagaCountyParks.com

Joanne M. Mahoney
County Executive

William Lansley
Commissioner

January 15, 2015

Office of the State Comptroller
Division of Local Government and School Accountability
State Office Building, Rm. 1702
44 Hawley Street
Binghamton, New York 13901 - 4417

Attn: Ms. Ann Singer

Re: Audit of Parkland Alienation Bill Process
Report No. S9-14-70

Dear Ms. Singer

Please accept this letter as Onondaga County's response to your office's audit regarding the terms and conditions of the parkland alienation bill.

I am very pleased that your audit showed no findings. This confirms that Onondaga County Parks followed the correct process regarding the parkland alienation legislation.

Thank you for your time and efforts regarding the parkland alienation audit. Your efforts are very important to ensure that the correct processes are followed. We agree that municipally owned parkland and open space are nonrenewable resources that should be carefully preserved in our community.

Onondaga County looks forward to working with you in the future.

Thank you.

William Lansley
Commissioner
Onondaga County Parks

APPENDIX B

AUDIT METHODOLOGY AND STANDARDS

We interviewed County officials to determine if processes were in place to ensure that requirements of its Legislation were met and to gain an understanding of the processes and circumstances surrounding the parkland alienation.

We reviewed the County's parkland alienation records including, when available, the Parkland Alienation Municipal Information Form, State Environmental Quality Review, Municipal Home Rule request, Board minutes, Board resolutions, contracts, leases, maps, surveys, planning records and other available documentation and correspondence. In addition, we reviewed general fund reports, capital plans and general ledger and check information when appropriate. Our audit included the following procedures:

- We reviewed the *Handbook of the Alienation and Conversion of Municipal Parkland in New York*, a publication issued by State Parks, that outlines the process and the deliberations involved in the change of use of municipal parkland and open space.
- We reviewed New York State Parkland Alienation Legislation passed in 2011 through 2013.
- We reviewed Board minutes and resolutions regarding the parkland alienation.
- We reviewed contracts and agreements to determine if the terms and conditions were consistent with the Legislation.
- We traced all funds received from the transaction back to the general ledger and subsequent accounts (when applicable).

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.