



Robert E. Antonacci II, CPA
Comptroller

COUNTY OF ONONDAGA

*Office of the
County Comptroller*

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March 1, 2017

Onondaga County Legislature

**Re: Onondaga County Economic Development
– Review of “Film Commission”**

Dear Legislators,

The Comptroller's Office has undertaken a review of the Onondaga County Office of Economic Development. The first in a series of reports is the audit of the Onondaga County “Film Commission”. During our review we encountered difficulties in securing information on the “Film Commission”.

Most significant are structural difficulties in how the “Film Commission” is set up. The “Film Commission” is not a Legislatively created department or office of Onondaga County, but is instead an Executive initiative within the Office of Economic Development which has taken on a seemingly permanent status. To clear this issue up, I urge you to review the Report and determine for yourselves whether this Executive initiative is a policy the Legislature desires to continue. If it is the Legislature's decision to maintain the “Film Commission”, I would further urge you to clearly establish it as a division within the Office of Economic Development with a clear budget and mission. By doing so, the Legislature would ensure tax-dollars are being spent effectively, efficiently, and as they were intended to be spent.

I refer you to recent comments by U.S. Attorney Preet Bharara who told the Association of Towns of the State of New York, “The public deserves to see where their money is going and for what purpose. Who puts the money in? Are there subcontractors? Shell companies? Be on top of that. Be wary of slush funds”. Within the lease agreement the County signed with Fort Schuyler Management Corporation (“FSMC”) was a provision for a grant agreement. As detailed within the report, roughly half of the \$210,000.00 was spent by FSMC furnishing the Film Hub. As noted in our report, this money was originally intended to be a loan fund to assist film productions. We are concerned with the Legislature giving up its appropriation powers relative to tax-dollars.

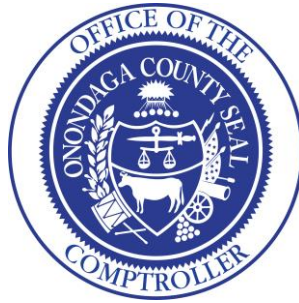
Should you have any questions or concerns, please do not hesitate in contacting this office directly.

Sincerely,

Robert E. Antonacci II, CPA

cc: Onondaga County Executive

Onondaga County Economic Development



Report on ONONDAGA COUNTY “FILM COMMISSION”

By Onondaga County Comptroller Robert E. Antonacci, CPA, Esq.

Report Index

Report Section	Section Name	Page Number
I	Executive Summary	2
II	Scope, Methodology, and Background	5
III	Findings and Recommendations	9
IV	Appendices	19
	Appendix A Response from County	19
	Appendix B Comptroller’s Response	27
	Appendix C Comptroller’s Written Questions	31
	Appendix D OED Response to Written Questions	33

Onondaga County Economic Development

SECTION I EXECUTIVE SUMMARY

We are providing an Executive Summary of the background, findings and recommendations for Onondaga County's economic development "Film Commission" to give you an overview of this report. For a complete understanding of the background, findings, and recommendations, please review the full body of this report.

This is the first in a series of audit reports on Onondaga County's economic development programs. The County economic development programs include the "Film Commission" (this report), Economic Development Investment Fund (EDIF), Marketing Services, Onondaga County Industrial Development Agency (OCIDA), Onondaga Civic Development Corporation (OCDC), and Onondaga County Trust for Cultural Resources (OCTCR).

Scope

The scope of this report includes compliance, internal controls, and transparency over Office of Economic Development (OED) "Film Commission" expenditures for the period January 1, 2015 through August 31, 2016. We were informed by the Deputy County Executive and Director of OED that the terms "Film Commission" and "Film Commissioner" are common industry terms and the County "Film Commission" is not a separate legal entity. As far as we can tell, all expenditures of the "Film Commission" were made from OED accounts in the General and Grants funds and the "Film Commissioner" is an employee of OED. It appears the County started to incur expenses for the "Film Commission" sometime in 2014, but we were unable to get an exact start date.

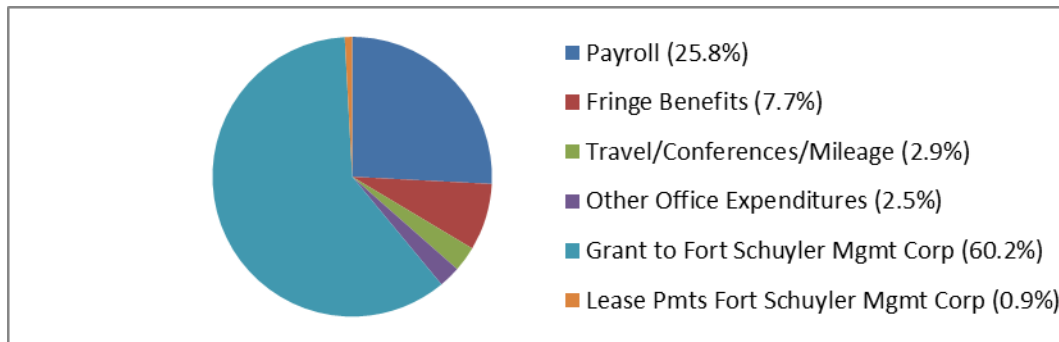
Background

The Deputy County Executive and Director of OED maintained the activities of the "Film Commission" fall under the authorization of County Law Section 225 (1)(c). While we don't necessarily agree that all of the activities of the Film Commission fall under that section of law, subsection (1) of the law specifically states: "The board of supervisors shall have the power to appropriate county funds and permit the use of county property of all kinds for the following public benefit, objects and purposes:...." In Onondaga County the board of supervisors means the County Legislature. Subsection (1)(c) states the following purpose: "...Publicizing the advantages of the county or region...." We found no specific County Legislative action creating and no specific legislative budget authorization funding the "Film Commission."

From January 1, 2015, through August of 2016 the OED "Film Commission" had expenditures of at least **\$349,047**. Although some of the expenditures were made out of the County Grant

Onondaga County Economic Development

Funds, these expenditures were all funded by the County General Fund. A brief overview of January 1, 2015 through August 31, 2016 “Film Commission” expenditures:



Findings and Recommendations

The Office of Economic Development gave the Comptroller’s Office very little cooperation. At the beginning of the audit (July 2016), we asked to meet with the Director of OED and any OED employees she felt were appropriate (entrance conference). She said she was too busy and would get back to us. We never heard back from her on our request. If OED replied to our requests at all, it was that they were too busy to talk to us and/or they provided perfunctory information. Among our information requests we specifically asked for:

- A listing of “Film Commission” expenditures for 2014 through August 31, 2016.
- Information on the lease of 115 square feet of space at 24 Aspen Park Boulevard, DeWitt, NY from the Fort Schuyler Management Corporation for \$12,000 per year plus an up-front requirement to pay \$28,000.
- Any information on established goals/expectations, actual performance towards the goals/expectations, and reported results for the “Film Commission” contracts and expenditures, as elements of accountability, internal control, and transparency for "Film Commission" activities.

Other than the aforementioned County Law Section 225, we are unaware of any legal authority for the County to engage in the described “Film Commission” activities, including engaging an employee to promote these activities in Central New York or travel to other locations to attend film industry events. In addition, we are unaware of any authority for the County to:

- Invest in “... films being produced at the Central New York Film Hub.”
- “... purchase equipment for and make improvements to the Central New York Film Hub to make the facility more desirable for use as a film and television production studio.”

Onondaga County Economic Development

- “...pay for the goods and/or services provided by an individual or a company that improve or serve to promote the Central New York Film Hub.”
- Pay for the “...acquisition of furniture, fixtures and equipment reasonably related to drawing businesses to Onondaga County through the Central New York Film Hub.”

We also question the payment of rent at the Fort Schuyler Management Company (FSMC) facility of \$1,000 per month for a 115 sq. ft. office space in DeWitt. As we describe in our 2015 report entitled “Carnegie Building Usage Audit,” the County has available, existing office space located in the Civic Center County office complex and other County office facilities.

The Legislature and Executive should re-evaluate these expenditures, including the grant contract and lease agreement with the FSMC.

If the County Legislature and Executive choose to continue to fund the “Film Commission,” they should establish:

- The appropriate legal and legislative authority for the “Film Commission” activities.
- Specific budget authorization for the “Film Commission” (Accountability).
- Clear expectations/goals for the “Film Commission” results (Accountability).
- Reporting requirements for the “Film Commission” results (Internal Controls and Transparency).
- Oversight compliance requirements for OED, including all “Film Commission” expenditures, for audits by the County Comptroller (Internal Controls and Transparency).

All County activities, including the “Film Commission,” should be clearly established, with clear expectations, and reported results.

Onondaga County Economic Development

SECTION II SCOPE, METHODOLOGY AND BACKGROUND

This is the first in a series of audit reports on Onondaga County's economic development programs. The County economic development programs include the "Film Commission" (this report), Economic Development Incentive Fund (EDIF), Marketing Services, Onondaga County Industrial Development Agency (OCIDA), Onondaga Civic Development Corporation (OCDC), and Onondaga County Trust for Cultural Resources (OCTCR).

Scope

The scope of this report includes compliance, internal controls, and transparency over Office of Economic Development (OED) "Film Commission" expenditures for the period January 1, 2015 through August 31, 2016. We were informed by the Deputy County Executive and Director of OED that the terms "Film Commission" and "Film Commissioner" are common industry terms and the County "Film Commission" is not a separate legal entity. As far as we can tell, all expenditures of the "Film Commission" were made from OED accounts in the General and Grants funds and the "Film Commissioner" is an employee of OED. It appears the County started to incur expenses for the "Film Commission" sometime in 2014, but we were unable to get an exact start date.

We asked the OED for but were not provided with:

- Specific authorization from the County Legislature for the "Film Commission" activities.
- All "Film Commission" expenditures, wherever they may have been recorded, for January 1, 2015 through August 31, 2016.
- Follow-up processes and documentation for "Film Commission" activities.
- Grant files for the Grant to Fort Schuyler Management Corporation (FSMC).
- Lease procurement file(s) for the FSMC lease.
- Expectations and performance (outcome) measures for the "Film Commission" activities.
- Actual performance reporting for the "Film Commission" results.

Onondaga County Economic Development

We also asked to have access to OED management and staff for interviews and questions, etc. related to “Film Commission” activities. Unfortunately, we were not allowed access to the OED management or staff. Therefore, this audit report may not contain some of the information, available only through interviews and questions, necessary to clarify issues/concerns raised within it. Of course, this is not the best way to conduct our audit but we were left with no choice since OED decided not to cooperate with us during the course of the audit. Therefore, with some exceptions, our scope for this work was limited to publically available information and information the Office of the County Comptroller has access to in order to conduct our normal day-to-day activities.

The Director of OED did respond to a request for information and data in a letter in December 2016. In addition, the Deputy County Executive and Director of OED responded on February 8, 2017, to a draft report we provided to them in January 2017. That letter is attached to this report as Appendix A. We have integrated their response into this report, as appropriate. Our notes in response to that letter are attached to this report as Appendix B.

We will be addressing OED Economic Development Investment Fund (EDIF) projects and other County marketing services in subsequent reports. Therefore, we will not address those issues in this report.

Methodology

- We obtained all “Film Commission” expenditures that we were aware of from various accounts and Grants projects for January 1, 2015, through August 31, 2016. However, while we did a comprehensive search for “Film Commission” expenditures, we cannot be certain that we were able to obtain all related expenditures for two reasons. First, since we found no specific County Legislative action creating the “Film Commission,” we are not certain when exactly the “Film Commission” started. We are certain it was active in 2015, so we started looking for and reviewing expenditures from January 1, 2015 forward. Second, there was no designated “Film Commission” account or fund in the County’s accounting records. Lastly, we were not granted access to related agencies managed by the same County OED management and staff (OCIDA, OCDC, and OCTCR) to determine if they made “Film Commission” expenditures. Therefore, there may have been “Film Commission” expenditures during 2014, 2015, and 2016 that were not specifically marked as such, so we could not include them.
- We analyzed and summarized the “Film Commission” related expenditures we located.
- We reviewed the invoice/voucher support for selected “Film Commission” payments.

Onondaga County Economic Development

Background

Creation of the “Film Commission”

We found no indication the “Film Commission” had been created and related expenditures specifically authorized, appropriated for, or funded by the County Legislature. The “Film Commission” expenditures we located were charged to the OED General Fund operating budget accounts and the OED Grant Project account (project # 734303001).

The Deputy County Executive and Director of OED maintained the activities of the “Film Commission” fall under the authorization of County Law Section 225 (1) (c). While we don’t necessarily agree that all of the activities of the Film Commission fall under that section of law, subsection (1) specifically states: “The board of supervisors shall have the power to appropriate county funds and permit the use of county property of all kinds for the following public benefit, objects and purposes:....” In Onondaga County the board of supervisors means the County Legislature. Subsection (1)(c) states the following purpose: “...Publicizing the advantages of the county or region.” We found no specific County Legislative action creating and no specific legislative budget authorization funding the “Film Commission.”

Relationship of the “Film Commission” to the “Film Hub”

We asked the OED and they indicated there was no specific creation or existence of the “CNY Film Hub” that is referred to in the Grant Agreement with the Fort Schuyler Management Corporation and several other documents. They indicated the “CNY Film Hub” is the common description for the building located at 24 Aspen Park Blvd. and owned by the FSMC. The County leased space in that building from FSMC, as more fully explained later in this report.

Summary of “Film Commission” Expenditures

From January 1, 2015 through August 31, 2016, we were able to locate “Film Commission” expenditures of at least **\$349,047**. As we indicated above, we cannot be certain that we were able to locate all expenditures since there was no designated “Film Commission” account or fund. Therefore, there may have been expenditures during that period of time that weren’t specifically marked “Film Commission.” Even though “Film Commission” expenditures were made from both the General Fund and the Grants Fund, they were all funded by General Fund revenues. We classified the January 1, 2015, through August 31, 2016 expenditures as follows:

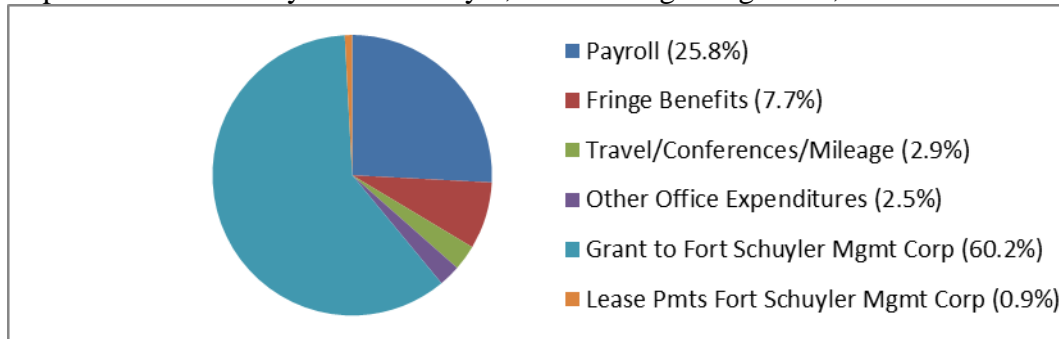
Payroll (1)	\$ 90,113
Estimated Fringe Benefits (2)	\$ 27,034
Travel/Conferences/Mileage (3)	\$ 10,176
Other Office Expenditures (4)	\$ 8,723
Grant to Fort Schuyler Management Corporation (5)	\$210,000
Lease Payments to Fort Schuyler Management Corporation (5)	<u>\$ 3,001</u>
Total “Film Commission” Expenditures	\$349,047

Onondaga County Economic Development

Notes:

- (1) As far as we can tell, one employee, Eric Vinal, worked full time for the “Film Commission” during this time period. Even though he worked for the County OED in 2014, we don’t know exactly when he started duties related to the “Film Commission.” Therefore, we are only calculating his salary for the time period January 1, 2015 through August 31, 2016. In addition, we are not including any payroll for any other OED staff in this calculation even though there may have been other management and/or staff involved in “Film Commission” activities.
- (2) We are using a ratio of 30% for calculating Eric Vinal’s fringe benefits. This includes: social security, unemployment, workers compensation, retirement, health insurance, dental insurance, and disability benefits. We consider this a conservative estimate. We applied the fringe benefit calculation only to the salary amount above.
- (3) We are including all travel/conference/mileage expenses we could locate in County records for “Film Commission” activities. For more information, see the detail included in the **Findings and Recommendations** section below.
- (4) These are miscellaneous “Film Commission” expenditures. For more information, see the detail included in the **Findings and Recommendations** section below.
- (5) These are the amounts paid by the County to the FSMC through August 31, 2016. The Deputy County Executive and Director of OED explained why the expected lease payments of \$1,000 per month starting January 2016, have not been made according to 2016 County records (See Appendix A). If the full amount had been paid, it would have totaled \$8,001 at August 31, 2016. For more information see the detail included in the **Findings and Recommendations** section below.

Expenditures summary from January 1, 2015 through August 31, 2016:



“Film Commission” expenditures were all funded by the County General Fund.

Onondaga County Economic Development

SECTION III FINDINGS AND RECOMMENDATIONS

Findings and Recommendations

Creation of and Funding the “Film Commission”

As more fully explained above and in Appendix A, the Deputy County Executive and Director of OED maintain that the County Executive, through County Law Section 225 and the budget powers contained in the County Charter has the authority to create and fund the activities involved in bringing film and television production to central New York (i.e., the Film Commission”). We found no specific County Legislative action approving the use of County resources for “Film Commission” activities as would be required by County Law Section 225. The only Legislative references we found related to the “Film Commission” were:

- At a Ways and Means Committee meeting on September 18, 2014, the Director of the OED introduced Eric Vinal as “new to the office, film commission and all other things with film; great addition.”
- The 2016 OED budget narrative stated: “The Office supports the Onondaga County and Central New York Film Commission’s activities, staff, and travel.”

If the Legislature chooses to continue the activities and funding for the “Film Commission,” they should clearly lay out under what authority they will establish the function, actually establish the function and related budget appropriations, and clearly lay out how they plan to fund it in the County budget.

Accountability, Internal Controls, and Transparency

From the start of our work reviewing the County and related entity economic development activities, including the “Film Commission,” it became apparent the OED was not going to cooperate and provide information and/or access to economic development management and staff for this effort. Additionally, when we asked for specific records and/or access, we were routinely denied, ignored, or provided with perfunctory answers until the end of our audit work.

In addition to not cooperating with our audit in general, we note the following issues with respect to accountability and transparency over OED’s “Film Commission” activity:

Onondaga County Economic Development

- We asked for information supporting the establishment of the “Film Commission” and film hub and were initially told “The Film Commission is not a legal entity and does not have any financial records.” After we issued a draft report to the Deputy County Executive and Director of OED, in their response they indicated the authority was in County Law Section 225 (1)(c).
- We asked for information on the “Film Commission” budget approvals and expenditures and were told “There are no financial records related to the Film Commission, which does not exist as a legal entity. It is a descriptor used to describe the film promotion activities of the Office of Economic Development.”

Based on the above, we reach the conclusion that, if County Comptroller’s Office cannot get ready access to the specific “Film Commission” economic development activities and processes, then the public has even much less of a chance at accessing them. Lack of public access to this information impacts the public’s knowledge of these activities and the potential support (or not) for these activities; thereby reducing accountability, internal controls, and transparency.

Further, we asked for but were not provided with any evidence the Legislature, Executive, or OED ever established clear expectations for “Film Commission” accountability and performance. Performance measurement is a key element of internal control and transparency over expenditures. These are some examples of the lack of accountability:

- If goals were expressed for these activities, they were very broad and general goals, without any way or expectation for specific, measureable results (Establishing Accountability).
- We were not provided with any clear, established outputs or outcomes or mechanisms for measuring results (Establishing Accountability and Internal Control).
- We were not provided with any OED output or outcome based performance measurement reporting on the “Film Commission” results (Transparency).

If the County Legislature chooses to continue the “Film Commission,” we have the following recommendations with respect to transparency and accountability:

- Define the expected outcomes for the “Film Commission” in a clear and measureable way, with the focus on delivering direct benefits to the County (Accountability).
- Clearly define, or require clear definition by responsible County officials, the specific measureable purpose for “Film Commission” activities (Accountability and Internal Control).

Onondaga County Economic Development

- Establish clear criteria for monitoring, evaluating, and reporting on the expenditures, outputs and outcomes produced, and effectiveness of the “Film Commission” activities on a regular basis (Accountability, Internal Control, and Transparency).
- Establish clear guidelines for the Executive and OED, for cooperating and participating with the elected County Comptroller at the start of and throughout any audit. The County Comptroller’s Office provides an important oversight role in County government (Accountability, Internal Control, and Transparency). Effectively providing oversight is difficult to accomplish without the support of the Legislature and Executive.

These are basic government management 101 suggestions. Unfortunately, we feel under these circumstances they have to be stated. Bottom line, it is the County Legislature and Executive’s responsibility with respect to the “Film Commission” expenditures (as well as all county expenditures) is to ensure that they are accountable, provide effective internal control related to them, and they are transparent. The goal is to produce the best results for the taxpayers in a cost effective manner and to achieve the results that were intended.

Analysis of “Film Commission” Expenditures

Payroll and Fringe Benefits

As mentioned above, as far as we can tell, the “Film Commission” had one employee who worked full time on related activities, Eric Vinal. His salary from January 1, 2015 through August 31, 2016, was \$90,113. His estimated related fringe benefits for that same time period were \$27,034. We are using a fringe benefits ratio of 30% for calculating Eric Vinal’s estimated fringe benefits. This percentage includes: social security, unemployment, workers compensation, retirement, health insurance, dental insurance, and disability benefits. We consider this a conservative estimate. We applied the fringe benefit calculation only to the salary amount above.

Travel/Conferences/Mileage

Eric Vinal’s mileage paid in 2015 totaled **\$793**. We found no mileage paid in 2016. His January 1, 2015 through August 2016, travel and conference expenses recorded in County records were:

Event	Location	Travel Expense	Meal Expense	Registration Expense	Hotel Expense	Total Expense
Association of Film Commissioners International (AFCI) Expo, 3/3 to 8/2015	Los Angeles, CA	\$891	\$370	\$0	\$1,476	\$2,737
TriBeCa Film Festival, 4/20 to 24/2015	New York, NY	\$198	\$252	\$350	\$1,150	\$1,950
American Film Market & Conference 11/3 to 12/2015	Los Angeles, CA	\$587	\$562	\$0	\$0	\$1,149

Onondaga County Economic Development

TriBeCa Film Festival, 4/13 to 16/2016	New York, NY	\$185	\$242	\$0	\$915	\$1,342
AFCI Expo, 4/20 to 24/2016	Los Angeles, CA	\$891	\$295	\$0	\$1,019	\$2,205
Totals		\$2,752	\$1,721	\$350	\$4,560	\$9,383

We could not locate any hotel expense for the American Film Market & Conference 11/3 to 12/2015 in Los Angeles, CA.

Eric Vinal's total travel, conference, and mileage expenses that we were able to locate for January 1, 2015 through August 31, 2016 were **\$10,176**.

Other Office Expenditures

We found three (3) additional expenditures from January 1, 2015 through August 31, 2016 that related to the "Film Commission."

- The purchase of display equipment for **\$4,723**.
- Membership in the Association of Film Commissioners for **\$750**.
- 2016 Booth rental at AFCI Global Finance Show and other locations for **\$3,250** (this voucher/invoice was initially paid by charge card by the Onondaga Civic Development Corporation (OCDC), a separate legal entity which employs the County OED staff under contract with the County. It was reimbursed by the County to OCDC in April 2016).

Total other "Film Commission" office expenditures we were able to locate were **\$8,723**.

Grant to and Lease from Fort Schuyler Management Corporation

Background on Fort Schuyler Management Corporation (FSMC)

According to their IRS Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code (Form 1023) dated January 26, 2012: "Fort Schuyler Management Corporation ("FSMC") was established on October 20, 2009 to purchase, construct, develop and manage facilities in and around Utica, New York and Rome, New York and promote research therein which will promote, foster and support academic and research activities associated with the State University of New York Institute of Technology ("SUNYIT") and the State University of New York ("SUNY"). FSMC is a New York not-for-profit corporation formed by its two members: The Research Foundation of State University of New York (the "RF") and Institute of Technology Foundation at Utica/Rome, Inc. (the "SUNYIT Foundation"), both of which are non-profit 501(c)(3) organizations."

Onondaga County Economic Development

According to their 2014 Audited Financial Statements, Notes to Consolidated Financial Statements June 30, 2015 and 2014:

“In order to advance its corporate purpose, the Corporation has undertaken the following activities:

Quad C Building (Quad C) – During 2013, the Corporation began construction on Quad C, a 252,000 square foot facility with class 1,000 and class 100 cleanrooms being built on land leased by the Corporation (note 4). The Corporation will lease the premises to third party corporate partners. In December 2013, the Corporation entered into a guaranteed maximum price contract with a contractor to oversee the construction of the Quad C facility. The total budgeted cost of construction is \$125.0 million. As more fully described in note 6, permanent financing has been obtained for the construction of the facility with state and local grant revenue pledged to repay the financing.

Buffalo High-Tech Manufacturing Complex (Buffalo High Tech) – During 2014, design began on this high-tech complex located in Buffalo, New York on land subsequently purchased by the Corporation. The campus will house top tier clean energy companies and enable advanced manufacturing at what is planned to become a state-of-the art, multibillion-dollar high-tech campus. This project is funded by grants from New York State.

Buffalo Medical Innovation and Commercialization Hub (Buffalo Medical) – During 2014, design began on a state-of-the-art shared user facility for biomedical research, development and testing. This project is located in an existing facility in spaces both leased and purchased by the Corporation in Buffalo, New York with project funding provided by a grant from New York State.

Central New York Hub for Emerging Nano Industries (CNY Hub):

- **Syracuse Film** – In 2014, design began on an advanced visual production, research and education facility located in Syracuse, New York on land to be purchased by the Corporation. This project is being funded by a grant from New York State.
- **LED Tech** – In May of 2015 the Corporation began work on a facility for state of the art LED manufacturing. This project will be funded by a grant(s) from New York State.

Buffalo Information Technologies and Commercialization Hub (Buffalo Info) – During 2015 design and renovation began on purchased space in an existing facility to

Onondaga County Economic Development

establish a research facility to be used to create cutting edge software for energy, health and defense industries. This project is being funded by a grant from New York State.”

It appears that the “**Syracuse Film**” above is most likely the Central New York Film Hub referenced below.

Grant Disbursement Agreement

On February 24, 2016, the County Executive signed a five (5) year Grant Disbursement Agreement with FSMC. Among other things the agreement cited the following:

- “... within Onondaga County, the Central New York Film Hub has been established by Contractor to, among other things, facilitate education and research and use of nanotechnology to support the growth of the film and television industry in New York State...”
- “... Such activity will create regional economic and employment opportunities and be a net wealth generator for Onondaga County...”
- “Onondaga County, through the Office of Economic Development and the Onondaga County and Central New York Film Commission, will partner with Contractor in such effort, entering into a separate lease for space at the facility...”
- “... the 2016 adopted County Budget includes funding designated for use by the Contractor to assist in the promotion of Onondaga County and Central New York as a location for film and television production, and this Agreement sets forth the terms and conditions regarding payment and use of such funds...”
- ”... THEREFORE, consistent with such documents, where the terms of such documents are incorporated within this agreement, the parties hereto do mutually agree as follows:”

The Project Scope per the Agreement, Attachment A was “As provided in the Grant Disbursement Agreement, Contractor shall promote the goals of Onondaga County by performing the services listed below, and such activity shall be known as the “Project.” Contractor will use the Project Funds to support film production and to promote Onondaga County and Central New York as a location for film and television production. Such uses shall include, but not be limited to, the following:

- Contractor may use Project Funds to purchase equipment for and make improvements to the Central New York Film Hub to make the facility more desirable for use as a film and television production studio.

Onondaga County Economic Development

- Contractor may use Project Funds to invest in films being produced at the Central New York Film Hub.
- Contractor may use Project Funds to pay for the goods and/or services provided by an individual or a company that improve or serve to promote the Central New York Film Hub.

In the event that additional appropriations are made available, those appropriations shall be considered Project Funds and the parties, if necessary, may agree in writing upon a new scope of work for such appropriations and include such writing as an amendment to the Agreement.”

The agreement further stated: “Either party has the right to terminate this Agreement with or without cause upon sixty days’ written notice to the other party.” In addition, “Except as is otherwise stated in this Agreement, neither County nor Contractor shall have or make any claim for damages against the other for the other’s terminating this Agreement.”

The County paid \$210,000 to FSMC in February 2016, for the full consideration for the five (5) year agreement. We originally requested by letter dated December 7, 2016 from FSMC the accounting documents FSMC is required to provide. After initially agreeing to provide the documents via electronic-mail, FSMC declined to provide the documents and referred us to OED. We asked for and received a listing of and invoices for payments made by FSMC from this grant. According to documentation we received from OED in January 2017, dated November 23, 2016, FSMC made the following payments from the grant funds to that date:

- | | |
|--|-------------|
| ➤ Systems Management Planning, Inc., West Henrietta, NY | \$47,448.60 |
| For IT equipment and software delivered to The Film House, 34 Aspen Park Blvd., East Syracuse, NY. | |
| ➤ r.o.i. Office Interiors from Rome, NY | \$52,000.87 |
| For the initial rental of (\$2,050.00) office furniture delivered to SUNY Polytechnic Institute Film Hub, 85 Collamer Crossings Business Park, East Syracuse, NY and subsequent purchase of (\$49,950.87) new furniture delivered to The Film House, 34 Aspen Park Blvd., East Syracuse, NY. | |

Total Purchased to Date	\$99,449.47
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In addition, we were informed FSMC had ordered additional IT and telephone equipment from Systems Management Planning, Inc., West Henrietta, NY but the equipment had not been received or paid for at November 23, 2016, totaling \$ 10,600.00

Onondaga County Economic Development

Total Purchased and Ordered to November 23, 2016 \$110,049.47

Therefore, the balance of the unused grant at November 23, 2016, was: **\$99,950.53**

The money used to pay FSMC under the Grant Distribution Agreement was \$210,000.00 set aside for the Film Commission. According to the September 28, 2015 Ways and Means Committee minutes, page 22, “This budget provides \$210,000 to create a film production revolving loan fund to support these efforts. The county’s support will allow film projects to be expedited – making the County more attractive to the film industry.” Page 24 goes on to state:

“Chairman Knapp asked, on the Grants Budget, you have \$210,000 for Professional Services, what’s that for

Ms. Spillane:

- That is a pot of money for the film production
- It’s going to be a revolving loan fund, it will be paid back”

The Grant Distribution Agreement does not require any repayment of funds. Only in the event of termination and there being funds leftover is there a requirement that funds be returned to the County. It would appear the \$210,000.00 was not spent in a manner consistent with its appropriation.

As we stated before, we are unaware of any legal authority for the County to engage in the above activities. Specifically to purchase equipment for and make improvements to the Central New York Film Hub to make the facility more desirable for use as a film and television production studio or any of the other specified in the Project Scope per the Agreement, Attachment A.

The New York State Constitution Article VIII, Section 1 states in part: “No county, city, town, village or school district shall give or loan any money or property to or in aid of any individual, or private corporation or association, or private undertaking, or become directly or indirectly the owner of stock in, or bonds of, any private corporation or association; nor shall any county, city, town, village or school district give or loan its credit to or in aid of any individual, or public or private corporation or association, or private undertaking...”

Lease Agreement

The County Executive signed a lease agreement with FSMC. The agreement was for five (5) years beginning on November 1, 2015, with options to extend it. The lease covers “...all that certain space encompassing approximately 115 square feet of office space (“Premises”) which is located in the building located at 24 Aspen Park Boulevard, Dewitt, New York 13057 (“Building”).” The County agreed to pay FSMC \$1 until December 31, 2015 and \$12,000 for 2016, payable at \$1,000 per month. The lease provided the annual payments will increase by 3%

Onondaga County Economic Development

each year after that, with installments due monthly. The County actually paid \$3,001 towards the lease in early 2016.

We were informed by the Deputy County Executive and the Director of OED in their February 8, 2017, letter that the rent payments under the lease agreement were reduced to \$3,000 for 2016, “Due to delays by the landlord in fitting out the office space to meet the County’s requirements, the space was not ready to be occupied under the schedule set forth in the lease.” In addition, they stated that “...the County also had access to up to an additional 20,000 sq. ft.” of “Common” space under the lease. See Appendix A for more information.

The County agreed to pay FSMC an additional \$28,000 within thirty days of the execution of the lease for “...acquisition of furniture, fixtures and equipment reasonably related to drawing businesses to Onondaga County through the Central New York Film Hub.” The additional payment is known as “Additional Project Funds” and the landlord “...agrees to submit an annual report to the Office of Economic Development within ninety (90) days of the end of each calendar year covering the use of all Additional Project Funds ...” We found no additional \$28,000 payment to FSMC in the 2016 County records.

According to the lease, the County has “...the right to use the Premises only for executive and administrative offices associated with research and development and all other incidental lawful business and commercial purposes including: marketing; sales; consulting; and customer services; displays; engineering; education and training; and all other uses related to the foregoing.”

As mentioned above, records show the County has paid \$3,001 for the above lease in 2016 (\$1 for the period ended December 31, 2015 and \$3,000 for 2016 monthly lease payments). We were unable to locate any additional monthly lease payments by the County to FSMC in 2016 (\$8,000 through August) or any payment to the FSMC for the \$28,000 additional lease payment. If the County, or a related entity, has made the full lease payments for 2016 (\$12,000), the cost of this lease will be over \$104 per square foot of space leased (\$12,000/115 sq. ft.), not including the additional payment of \$28,000 if the County or related entity has made or decides to make it. As we describe in our 2015 reports entitled “Carnegie Building Usage Audit,” the County has available, existing office space located in the Civic Center County office complex and other County office facilities. We asked for information on their search for office space for this purpose, specifically what other locations and prices they looked at. The Director of OED replied they had no procurement files for the FSMC lease.

Conclusions

As we stated before, we are unaware of any County Legislative or budget action to engage in the described “Film Commission” activities, including engaging an employee to promote these

Onondaga County Economic Development

activities in Central New York or travel to other locations to attend film industry events. In addition, we are unaware of any authority for the County to:

- Invest in "... films being produced at the Central New York Film Hub."
- "... purchase equipment for and make improvements to the Central New York Film Hub to make the facility more desirable for use as a film and television production studio."
- "...pay for the goods and/or services provided by an individual or a company that improve or serve to promote the Central New York Film Hub."
- Pay for the "...acquisition of furniture, fixtures and equipment reasonably related to drawing businesses to Onondaga County through the Central New York Film Hub."

We also question paying rent at the FSMC facility of \$1,000 per month for a 115 sq. ft. office space in DeWitt. As we describe in our 2015 report entitled "Carnegie Building Usage Audit," the County has available office space located in the Civic Center County office complex and other County office facilities.

The Legislature and Executive should re-evaluate these expenditures, including the grant contract and lease agreement with the FSMC. In the re-evaluation of these contracts and agreements the Legislature and Executive should consider the provisions of the New York State Constitution Article VIII, Section 1.

Onondaga County Economic Development

SECTION IV APPENDICES

Appendix A Response from County Officials



COUNTY OF ONONDAGA
OFFICE OF ECONOMIC DEVELOPMENT

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COUNTY EXECUTIVE

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JULIE A. CERIO
DIRECTOR

February 8, 2017

Mr. Thomas R. Schepp
Deputy Comptroller/Auditor
Office of the Onondaga County Comptroller
421 Montgomery Street
Syracuse, NY 13202

Subject: **Audited Entity Comments** with respect to Report on ONONDAGA COUNTY "FILM COMMISSION"

Dear Mr. Schepp,

These comments are offered in response to the Onondaga County Comptroller's Report on ONONDAGA COUNTY "FILM COMMISSION", which examines expenditures of the Onondaga County Office of Economic Development related to the County's film commissioner and its "Film Commission".

The Onondaga County Office of Economic Development would like to thank the County Comptroller's audit staff for providing information and recommendations related to the County's efforts to attract film and television production to locations within Onondaga County and to take advantage of New York State's construction of a qualified production facility (QPF) in the Town of DeWitt to attract filmmakers and crews to Central New York.

Your Draft Report communicates findings and recommendations in three areas: Creation and Funding of the "Film Commission"; Accountability, Internal Controls, and Transparency; and Analysis of "Film Commission" Expenditures. The comments by entity management in response to each set of findings and recommendations are included below, in the same order found in the FINDINGS AND RECOMMENDATIONS section of your report.

Creation of and Funding the "Film Commission"

Your report questions "what legal authority the County used to create a 'Film Commission'". The explanation is simple: the "Film Commission" was not "created" in any legal sense. It is a term used within the movie and television industries to refer to a city or region's efforts to attract film and television production to a local or regional economy. The Office of Economic

Development has referred to its employee working to promote the region to filmmakers as the “Film Commissioner” and to his activities as those of the “Film Commission”.

You recommend that the Legislature “should clearly lay out under what authority they will establish the function (of the Film Commission), actually establish the function and related budget, and clearly lay out how they plan to fund it in the County budget.” This recommendation overlooks the role of the County Executive as the chief budget officer of Onondaga County (see County Charter, § 302(d). As the chief budget officer, the County Executive is responsible “for preparation of the operating and capital budgets of the county.” Accepting your recommendation would be contrary to the Charter under which the County of Onondaga operates. Therefore, we cannot accept this recommendation.

In fact, the County Executive and County Legislature have carried out their respective responsibilities with respect to proposing and approving, respectively, budgets for the Office of Economic Development that include funding for the County employee who acts as the “Film Commissioner” and for his economic development activities. As your report notes, in the presentation of the 2015 Economic Development budget on September 18, 2014, the Director of Economic Development described the work of the individual hired into the position of “Senior Economic Development Specialist” as serving as the County’s “Film Commissioner”. Since that time, the Director of Economic Development has frequently referred to the “Film Commission” when spotlighting the work of the “Film Commissioner” to the County Legislature, which also received specific budgetary information about the Film Commissioner and “Film Commissioner” during the Ways & Means committee’s review of the 2016 and 2017 budgets.

One of the expenditures that your report mentions is membership in the Association of Film Commissioners International (AFCI). The AFCI has more than 300 members on six continents. However, the vast majority of these 300+ Film Commissioners do not work for an actual “Film Commission”. In many cases, they work for a film office, chamber of commerce, or for a state, local, or national government. In our case, the “Film Commissioner” is employed by the County’s Office of Economic Development, which funds this activity – and all of its activities, as the County Legislature knows – without the use of property tax dollars or sales tax dollars.

Proposed funding for the “Senior Economic Development Specialist” position and related expenditures, such as rent at the CNY Film Hub in the 2016 and 2017 budgets or travel to film industry events where other Film Commissioners were conducting marketing and sales activities on behalf of their respective “Film Commissions”, has been included and described in each of the last three County budgets. As your report describes, our Film Commissioner attended the AFCI Conference in both 2015 and 2016. As you also note, he attended the TriBeCa Film Festival in 2015 and 2016 as well as the American Film Market & Conference in 2015. These conferences bring Film Commissioners into close contact with filmmakers who have movies to show and/or sell. Independent filmmakers with new movies are found in large quantities at the TriBeCa Film Festival and AFM, making these ideal locations for Film Commissioners to meet highly qualified leads for the services we offer to filmmakers.

Actual expenditures for the county's Film Commissioner and "Film Commission" have been spent within budgeted appropriations as proposed by the County Executive and adopted by the County Legislature. Specific expenditures, whether in the Office of Economic Development's operating or grant budgets, are published in the annual County budget book. Prior to the start of each County fiscal year, these specific appropriations are loaded into the Peoplesoft Financials system. All spending on the Film Commissioner's activities has been done by means of the requisition, purchase order, receipt, voucher, and payment transactions that are entered into the Peoplesoft system. Auditing staff within the County Comptroller's office have full access to these financial records and accounts of the Office of Economic Development without even needing to ask anyone in the Office of Economic Development for access to these records and accounts.

Accountability, Internal Controls and Transparency

As noted above, the County Comptroller's office has complete access to the numerous financial records and accounts of the Office of Economic Development published in the annual County budget book or found in the Peoplesoft Financials system. The County Comptroller's office also has full access to the contracts of the Office of Economic Development, including the Lease Agreement and Grant Disbursement Agreement associated with the CNY Film Hub, where the Film Commissioner has an office. Furthermore, accounting staff within the County Comptroller's office examine each requisition of funds and each voucher that is paid from funds of the Office of Economic Development.

It is clear from the information found in the "Background" section of the report (pp. 6-8) that auditing staff had no problem locating actual expenditures related to the "Film Commission", as a summary of these expenditures appears there.

The Office of Economic Development has complied fully with each auditing staff request for specific financial records and accounts. For example, Deputy Comptroller/Auditor Schepp's request for "a copy of any financial statements and documentation of actual costs spent in connection with services rendered to the County by FSMC..." on 1/6/2017 resulted in the transmission of 15 pages of such information on 1/24/2017.

If there are any pending requests for financial records and accounts of the Office of Economic Development, then we are not aware of them. In the course of this audit, the auditing staff has also requested financial records – such as procurement files for the Lease Agreement referenced above – that don't exist and have never existed.

Therefore, it is puzzling to read the finding that "From the start of our work... it became readily apparent the OED was not going to cooperate and provide information and/or access to economic development management and staff for this effort"

The County Comptroller has the right to “audit the financial records and accounts” of the Office of Economic Development and its employees. The Office has responded to each request for financial records and accounts by either explaining that the Comptroller’s office already has access to such financial records and accounts or by providing the requested information. The Office has also explained when the requested records and accounts do not exist. When the Comptroller has requested information other than financial records and accounts, audited entity management has respectfully explained that such information do not constitute financial records and accounts and therefore will not be provided to auditing staff.

Management for the audited entity wholly rejects any finding that the Office of Economic Development failed to cooperate with any request for the financial records and accounts that are subject to audit by the County Comptroller nor did audited entity management fail to respond to any follow-up questions from audit staff about the financial records and accounts that were either located by audit staff in existing records and accounts or provided to audit staff in the course of this audit engagement.

Your recommendations in this area include defining the “expected outcomes” for the Film Commission, establishing a “measurable purpose” and establishing “clear criteria for monitoring, evaluating, and reporting on the expenditures, outputs and outcomes produced...” In fact, the Director of Economic Development meets regularly with the staff person serving in the role of “Film Commissioner” to review his work and the outcomes produced from the activities of the “Film Commission”. The Director meets regularly with her Deputy County Executive, who exercises administrative authority over the Office of Economic Development on behalf of the County Executive. The Chief Fiscal Officer and his Deputy Director of the Division of Management and Budget also play significant roles in “exercising budgetary and management control and checks on program performance”, as set forth in the Charter and Code.

In response to your report’s recommendations, the Office of Economic Development will ask the Division of Management and Budget to consider directing its Performance Management team, led by the Director of Data Analytics (a relatively new position in County government whose responsibilities include providing “oversight of program performance management process and procedures”), to collaborate with the Office of Economic Development in a review of the performance management process and procedures for the “Film Commission”.

Analysis of “Film Commission” Expenditures

As noted above, the “Film Commission” is not a legal entity and therefore could not have employed anyone. Therefore the assertion that “the ‘Film Commission’ had one employee is in error.

The “Film Commissioner” is employed by the Office of Economic Development in the position of Senior Economic Development Specialist. The Office explained this in September 2014 when the department’s proposed 2015 budget was presented to the Ways & Means Committee and

this has been transparent to any interested observer ever since. As such, all financial records and accounts related to his employment are found in the Economic Development department's financial records and accounts to which your office has full access.

The "Travel/Conferences/Mileage" and "Other Office Expenditures" information appears to reflect actual expenditures, but the Office of Economic Development has not been asked to verify these figures.

The "Grant to and Lease from Fort Schuyler Management Corporation" information includes many items that have nothing to do with the CNY Film Hub. It is not clear why this information is included in the "Analysis of Expenditures", therefore we make no comment on this information.

The summaries of the Grant Disbursement Agreement and Lease Agreement contain a wealth of information about the terms and conditions of these agreements. In many cases, the summaries provide extensive quotes from the texts of these contracts. Therefore, entity management sees no reason to respond to these summaries.

In this section, the report raises the issue – for the fifth time – of being "unaware of any legal authority for the County to engage in the above activities" before citing Article VIII, Section 1 of the New York State Constitution. Although no finding is made there, management for the audited entity would refer you to County Law §225(1)©, which empowers Counties "to appropriate county funds and to permit the use of county property of all kinds for the following public benefit, objects and purposes: [...] publicizing the advantages of the county or region." Within the Administrative Code, the Office of Economic Development is given authority to "...promote and safeguard the commercial and industrial growth and welfare of the Syracuse metropolitan area, including, but not limited to, the solicitation of new industry, business and commerce". It is well established that it is proper to use public funds in connection with the promotion of economic development and that such use does not violate the Constitutional prohibition against gifts.

In light of the comments offered immediately above, audited entity management will take no action in response to the findings and recommendations regarding seeking additional legal authority for the "Film Commission" activities as undertaken by the Office of Economic Development.

The Analysis of Expenditures correctly points out that the County paid \$3,001 in rent under the Lease Agreement in 2016, when the full amount due under the lease was \$12,000. Due to delays by the landlord in fitting out the office space to meet the County's requirements, the space was not ready to be occupied under the schedule set forth in the lease. Accordingly, the landlord has agreed to reduce the 2016 rent from \$12,000 to \$3,000. In anticipation of this transaction, the Dept. of Finance has closed the Purchase Order for such rent. As a result, the actual expenditures for rent will be \$3,000 when the 2016 budget is closed, instead of \$12,000 as budgeted.

The "Conclusions" under "Analysis of 'Film Commission' Expenditures" questions "the wisdom of paying rent at the FSMC facility of \$1,000 per month for a 115 sq. ft. office space in DeWitt". In fact, the lease provides the County with the use of Common Areas "intended for the Common use of all Tenants...but excluding space designed for rental". With roughly half of the Film Hub's 50,000+ sq. ft. of space not "designed for rental", the County has the use of more than 20,000 sq. ft. at this time.

Management for the audited entity notes the recommendation that "The Legislature and Executive should re-evaluate these expenditures, including the grant contract and lease agreement with the FSMC". As a unit of County government, the Office of Economic Development continuously monitors its expenditures during each fiscal year, beginning on January 1 with administrative oversight exercised by the Office of County Executive and its Division of Management and Budget. Such administrative oversight will continue throughout the 2017 fiscal year, up to and through the period during which the 2018 County budget will be prepared and then presented to the County Legislature for its review and approval.

Comments in response to "Section II: Scope, Methodology and Background"

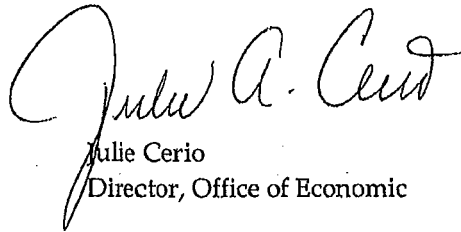
It is extraordinary that the auditor's first exposition of "Scope and Methodology" for this audit appears within the draft audit report itself. This is contrary to all professional standards by which the governmental auditing profession operates.

On several occasions, you have referred us to the Scope, Objectives, and Methodology as set forth in the attached document, which was received July 9, 2016. There is no mention whatsoever of the auditor's plan to examine the "Film Commission" or any specific financial records and accounts related to related activities of the Office of Economic Development. It is ludicrous to say, as you did in an email message received on February 3, 2017, that you have not deviated from your "original scope". It is plain to see that you have done exactly that.

Sincerely yours,



William P. Fisher
Deputy County Executive
Development



Julie Cerio
Director, Office of Economic

Attachment: "Onondaga County Comptroller's Office: Onondaga County Economic Development"

Onondaga County Comptroller's Office

Onondaga County Economic Development

Scope

We will review the revenues, receivables, expenditures, contracts, projects, and debt of the Onondaga County Office of Economic Development, including the OCIDA, OCDC, OCTCR and any related functions and/or organizations for internal controls, compliance, and transparency.

Objectives

- Determine if Onondaga County economic development revenues and expenditures have sufficient internal controls; are being received, expended and reported in an open and transparent manner; and are in conformance with applicable laws and regulations.
- Determine if Onondaga County economic development tax incentives, grants and loans/bonds are approved and the organizations operate with appropriate legal authority and in an open and transparent way in conformance with NYS laws, County local laws, and regulations.

Methodology

- Develop a list of compliance and transparency issues to be included in our review.
- Conduct on site risk assessment for each of the Onondaga County economic development organizations.
- Conduct interviews with management and staff of the Onondaga County economic development organizations.
- Select and review summary and detail revenues and expenditures for the Onondaga County economic development organizations against internal control standards and compliance criteria.
- Follow through on issues related to items developed in the above steps to resolve questions.

Our review will include continuous risk assessment at the beginning and throughout the process. The scope of a review may change based on the risk assessments. Potential findings and recommendations will be discussed with management and any draft report will be shared with management for discussion and feedback prior to release.

Onondaga County Economic Development

Appendix B

Reply from County Comptroller



Robert E. Antonacci II, CPA
Comptroller

COUNTY OF ONONDAGA
Office of the
County Comptroller

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James V. Maturo
Deputy Comptroller/Accounting

Thomas R. Schepp II
Deputy Comptroller/Audit

February 21, 2017

William P. Fisher,
Deputy County Executive

Julie Cerio,
Director, Office of Economic Development

Re: Report on Onondaga County "Film Commission"
Reply to Management Response

Dear Mr. Fisher & Ms. Cerio,

Thank you for your response to this Office's Report on Onondaga "Film Commission" (the "Report"). This letter is a reply to some concerns raised in the Report. Please note there were no significant revisions to the Report since the same was transmitted for your final review.

In response to this Office's concerns with the creation of the Onondaga County "Film Commission" (the "Film Commission"), you raise the County Executive's powers under Charter §302(d) as chief budget officer. No one is questioning the powers of the County Executive to propose at Tentative Budget on or before the 15th of September (Charter §603). What is called into question is the creation of a seemingly permanent office without the affirmative approval of the County Legislature as the policy determining body of Onondaga County (Charter §208). This Office stands by its recommendation the Legislature affirmatively approve of the Film Commission.

Your comment that the Office of Economic Development funds its activities "without the use of property tax dollars or sales tax dollars" caused me to review our Report's conclusions on expenditures. On page 7 the Report stated the Film Commission was funded by General Fund revenues. General Fund revenues include not only property and sales tax revenues, but other types of revenue including those which fund the Office of Economic Development. Specifically, the Office of Economic Development receives funding from OCIDA, OCCTR, and OCDC (subjects of future audit reports), but also receives funding from an agreement with Syracuse Industrial Development Agency ("SIDA") in relation to DestiNY. The 2017 Budget on page 5-

39 references “Other Misc Revenues” in the amount of \$338,000.00. The underlying agreement providing this \$338,000.00 notes it is “used to replace local dollar support for E.D. Office”. This source of funding is set to expire during the 2019 fiscal year and will require a return to local dollar support, other revenue stream, or commensurate cut in the Office of Economic Development Budget. This Office stands by its comment the Office of Economic Development receives its revenue from the General Fund.

The level of cooperation is correctly noted as from our point of view. I would refer you to Ms. Cerio’s e-mail of July 21 where she advised this Office she would be unable to meet in the then near future. She further advised she would send a response “once [she] had an opportunity to review the issues”. As no response was forthcoming, we had no choice but to resort to written interrogatories. As you note, often times the response reiterated the Administration’s belief that the request sought information which did not constitute financial records of the County. It is disingenuous to deny access to information and then protest our noting of a lack of cooperation. This Office stands by its noting of a lack of cooperation with this Audit.

County Law §225(1)(c) does grant a county through its board of supervisors the ability to publicize “the advantages of the county or region”. County Law §153(1) states:

A power of the county, whether in terms vested in the county or in the board of supervisors shall, except as otherwise expressly provided, be exercised through a local law or resolution duly adopted by the board (County Law §153(1).

County Law §150-a states all powers granted to a board of supervisors shall vest in a county legislative body, by whatsoever name designated. Assuming *arguendo* that the functions of the Film Commission fall within County Law §225(1)(c), the decision on whether to do so falls to the Legislature, not the Executive. As the Film Commission is a seemingly permanent fixture of County government, this Office stands by its recommendations that affirmative Legislative approval be secured in establishing the Film Commission.

The Report is within the confines of the Scope, Objectives, and Methodology originally provided on July 9, 2016. As previously noted, this Report is the first in a series concerning the Office of Economic Development. As vigorously argued in the Response, there is no official entity known as the “Film Commission”, but merely a collection of activities within the Office of Economic Development. This report has focused on the revenues, expenditures, and contracts of the Office of Economic Development as they relate to the Film Commission. This item ultimately relates back to a central issue of how an Executive initiative has taken on a seemingly permanent status without affirmative Legislative approval. This Report starts and ends within the Office of Economic Development as stated in the Scope, Objectives, and Methodology originally provided July 9, 2016.

It is this Office's position that any comment within the Management Response not specifically addressed within this Reply did not require anything more than what was previously provided within the Report.

Sincerely,

A handwritten signature in blue ink, appearing to read "T.R. Schepp", with a long horizontal flourish extending to the right.

T.R. Schepp

Onondaga County Economic Development

Appendix C

Comptroller Written Questions

Additional Request for Information

Director of the Office of Economic Development

November 29, 2016

Since we have not been able to interview management or staff of the Office of Economic Development, please provide answers/documentation for the following related to the Film Commission in writing by December 15, 2016:

- 1. Please provide specific legal authority for the creation, funding, and operation of the Film Commission? Please include NY State legislative legal authority reference and County legislature legal authority.**
- 2. Please provide any information on the “Film Hub”. Who created it? When was it created? What is Onondaga County’s relationship to it?**
- 3. Please provide any specific budget approvals for the Film Commission? This does not include regular budget approvals that do not specify the Film Commission.**
- 4. Please provide a detailed listing of Film Commission expenditures in 2014, 2015, and 2016 to date. Please include any wages, fringe benefits, office expenses, travel, mileage, lease payments, grants, and any other expenses and include voucher #.**
- 5. Please provide grant files for Fort Schuyler Management Corporation; including application, correspondence, review documentation, etc.**
- 6. Please provide lease procurement file(s) for the Fort Schuyler Management Corporation; including needs analysis, criteria for selection, alternative locations considered, negotiation documentation, all correspondence, etc.**
- 7. Please provide specific legal authority for the grant expenditures included in the grant agreement with Fort Schuyler Management Corporation.**
- 8. Please provide any written goals/expectations for Film Commission performance/results when it was established and any time since then?**
- 9. Please provide documentation of any Film Commission follow up processes for performance/results and any actual results?**
- 10. Please provide any internal or externally issued reports on Film Commission performance/ results since it was established.**

Onondaga County Economic Development

Appendix D

Office of Economic Development

Response to Written Questions



**COUNTY OF ONONDAGA
OFFICE OF ECONOMIC DEVELOPMENT**

JOANNE M. MAHONEY
COUNTY EXECUTIVE

333 W. WASHINGTON STREET, SUITE 130
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P. 315.435.3770 F.315.435.3669

JULIE A. CERIO
DIRECTOR

December 16, 2016

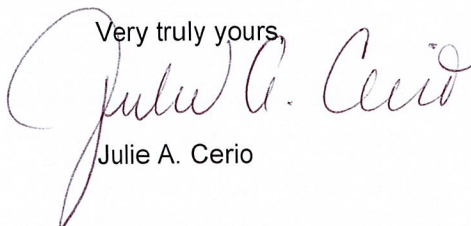
T.R. Schepp
Deputy Comptroller for Audit
John H. Mulroy Civic center 14th Floor
Syracuse, New York 13202

Mr. Schepp,

The following answers are in response to your questions dated November 29, 2016.

1. There are no financial records related to the Film Commission, which does not exist as a legal entity. It is a descriptor used to describe the film promotion activities of the Office of Economic Development.
2. The CNY Film Hub was announced in March 2014. It is the commonly used description of the building located at 24 Aspen Park Blvd. occupied by Fort Schuyler Management Corporation (FSMC). The County of Onondaga leases space at 24 Aspen Park Boulevard from FSMC.
3. No County budget has appropriated funds for the Film commission.
4. The Film Commission is not a legal entity and does not have any financial records.
5. The Grant Disbursement Agreement between FSMC and the County of Onondaga is easily located within the Office of Economic Development's financial records, both within Peoplesoft Financials and the Lotus Notes contract system. If you need assistance locating this financial record, please let us know.
6. No procurement file(s) for the lease with Fort Schuyler Management Corporation exists within the financial records of the Division of Purchase or the Office of Economic Development.
7. The appropriation for the grant made to FSMC was proposed and adopted in the 2016 County budget within the General Grants Project Fund of the Economic Development Budget, as found on page 3-72 of the adopted budget.
8. The Office of Economic Development does not have any written goals/expectations for Film Commission performance/results within its financial records.
9. Please see response to #8 above.
10. The Office of Economic Development does not have any reports on Film Commission performance/results.

Very truly yours,



Julie A. Cerio