

SUNSET AUDIT REPORT

2013-S3

Anchorage Community Development Authority
Board of Directors

Anchorage Community Development Authority

August 15, 2013

MUNICIPALITY OF ANCHORAGE
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MUNICIPALITY OF ANCHORAGE



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Mayor Dan Sullivan

August 15, 2013

Honorable Mayor and Members of the Assembly:

I am pleased to present **Sunset Audit Report 2013-S3, Anchorage Community Development Authority Board of Directors, Anchorage Community Development Authority**, for your review. A brief summary of the report is presented below.

In accordance with Assembly Ordinance Number 2011-64(S-1), Section 14, we have performed a sunset audit of the Anchorage Community Development Authority Board of Directors. The objective of this audit was to provide information to the Mayor and Assembly to assist them in determining if the Anchorage Community Development Authority Board of Directors should be reauthorized. Our audit included a review of meeting minutes, resolutions and agendas, and member authorization and participation.

Based on our review of meeting minutes, resolutions and attendance records, we recommend that the Anchorage Community Development Authority Board of Directors be reauthorized.

The Anchorage Community Development Authority Board of Directors will sunset on October 14, 2013 unless reauthorized by the Assembly.

Peter Raiskums, CIA, CFE
Director, Internal Audit

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Introduction. We have performed a sunset audit of the Anchorage Community Development Authority Board of Directors (Board) as required by Assembly Ordinance Number 2011-64(S-1), Section 14 which states:

“The Municipal Clerk shall notify the Assembly and the Mayor by assembly memorandum at least 120 days prior to the sunset of any board or commission, and an ordinance for reauthorization shall be introduced through the Assembly Chair with the assembly memorandum. The assembly memorandum shall include direction to the Office of Internal Audit to audit the board or commission under Anchorage Municipal Code section 3.20.110 D.3. and 4. The Office of Internal Audit shall report its findings to the Mayor and Assembly at least 60 days, prior to sunset, prior to vote by the Assembly on reauthorization.”

Objective and Scope. The objective of this audit was to provide information to the Mayor and Assembly to assist them in determining if the Board should be reauthorized. Our audit included a review of meeting minutes, Board resolutions and agendas, and Board member authorization and participation.

The audit was conducted in accordance with generally accepted government auditing standards, except for the requirement of an external quality control review, and accordingly, included tests of accounting records and such other auditing procedures as we considered necessary in the circumstances. The audit was performed during the period of June through July 2013.

Overall Evaluation. Based on our review of meeting minutes, resolutions, and attendance records, we recommend that the Anchorage Community Development Authority Board of Directors be reauthorized.

SUNSET FACTORS

The following factors were used in our evaluation and are presented for information to the Mayor and Assembly:

1. **Name of Board.**

Anchorage Community Development Authority Board of Directors

2. **Sunset Date.**

October 14, 2013

3. **The purpose and goal of the Board.**

Anchorage Municipal Code (AMC) does not specify the goal and purpose of the Board. However, AMC 25.35.030, *Board of directors*, states that the Anchorage Community Development Authority is to be governed by a board of directors.

AMC 25.35.010.A, Mission, states "It is the mission of the Anchorage Community Development Authority (ACDA) to:

- 1. Provide sufficient, high quality, customer-focused public parking by managing parking resources in a fair and efficient manner for the benefit of the residents of the Municipality.*

2. *Create and develop opportunities that forward municipal goals and objectives, using innovation, partnerships, sound planning and incentives.”*

4. **Have Board members been appointed?**

AMC 25.35.030.A and B states “A. The authority shall be governed by a board of directors consisting of nine members appointed by the mayor subject to confirmation by the assembly. Members shall be appointed based on relevant expertise and experience. Board members shall be qualified as follows:

1. *One member shall have private sector experience in finance, banking, or business administration;*
 2. *One member shall be a member in good standing of the Alaska Bar with experience in commercial law or construction law;*
 3. *One member shall have private sector experience in project management, commercial construction, or commercial real estate development;*
 4. *One member shall have relevant experience, or a degree, in planning, engineering, or architectural design;*
 5. *Two of the nine members appointed by the mayor shall be executive employees of the municipality;*
 6. *Three members will represent a diversity of background, education and interests to complement the purposes of this chapter.*
- B. In addition, two assembly members shall be appointed by the assembly to serve as ex officio members of the board.”*

Audit Finding. Currently, the Board is fully staffed.

<u>Board Member</u>	<u>Appointed</u>	<u>Term Expiration Date</u>
Ernie Hall (Ex Officio)		
Chris Birch (Ex Officio)		
Mike Mills	10-14-12	10-14-15
Dick Stallone	10-15-12	10-14-15
Lottie Michael		10-14-13
Lucinda Mahoney	10-15-12	10-14-13
Terry Parks	10-27-09	10-14-15
Ted Carlson	11-11-11	10-14-14
Larry Baker	10-14-09	10-14-13
Jan Sieberts	11-11-11	10-14-14
Deborah Sedwick	11-11-11	10-14-14

Source: Mayor's Office

5. Are the terms of the Board members current?

AMC 4.05.040, Terms, states "Except as otherwise specified in this Code, the regular term of each member of a board or commission is three years commencing on October 15 of the year in which appointed and ending three years thereafter on October 14, provided however, to avoid a vacancy until new appointments can be made and confirmed, an appointed member's term is extended until a new appointment is confirmed or a maximum of 120 days which ever occurs first. The terms of initial or subsequent appointments to a board or commission shall be staggered so that, as nearly as possible, a pro rata number of its members shall be appointed each year of the established regular term of office."

Audit Finding. The terms for all Board members are current.

6. **Are positions deemed vacant after the maximum number of absences?**

AMC 4.05.060.A, Attendance requirements; vacancies, states “. . . a vacancy shall occur if a member during any 12-month period while in office:

- 1. Is absent from three regular meetings without excuse;*
- 2. Is absent from:*
 - a. six regular meetings; or*
 - b. eight regular meetings for members of the planning and zoning commission, platting board, or zoning board of examiners and appeals; or*
- 3. Fails to attend a two-thirds majority of the regular meetings.”*

Audit Finding. No members were absent from three regular meetings without an excuse within any 12 month period.

No members were absent from six regular meetings within any 12 month period.

One member failed to attend two thirds of the regular meetings in the 12 month period from July 2012 through June 2013. This member has not been removed from the Board.

7. **Does the Board meet regularly?**

AMC 4.05.090, Meetings, states “A board or commission shall hold regular monthly meetings at such time and place as may from time to time be designated by the board or commission, but meetings need not be held if no business is pending. Boards and commissions shall advise the public of their meeting schedules, or publicly advertise their meetings where necessitated by statutory requirements. The chairman of a board or commission, or the municipal employee who is designated as an ex officio member of the board or commission pursuant to section 4.05.140, or a majority of the board or commission, may call a special meeting of the board or commission. Meetings of all boards and

commissions shall be open to the public, except for an executive session, from which the public may be excluded.”

Audit Finding. From January 2012 through June 2013 the Board met 16 times. Meetings are publicly announced on the Authority’s website and on the Municipality’s Public Notices website.

8. Are minutes taken and published?

AMC 4.05.130, Reports, minutes and public hearing records, states “A board or commission shall keep minutes of the board or commission proceedings, and such minutes shall record the vote of each member physically present upon every question formally presented to the board or commissions for its consideration. The minutes shall be maintained in the custody of the municipal agency which supplies staff support to the board or commission and shall be a public record, open to inspection by any person.”

Audit Finding. Yes, minutes were taken at each Board meeting. Authority staff keeps a copy available for the public. In addition, Board minutes are available on the Authority’s website.

9. Do meetings have action items or other business?

AMC 25.35.060.A and B, Powers, states “A. In furtherance of its corporate purposes, the authority has the following powers, in addition to its other powers, subject to the approval of the mayor and the assembly as required by the charter:

- 1. To sue and be sued.*
- 2. To have a seal and alter it at pleasure.*

3. *To adopt, amend and repeal bylaws for its organization and internal management, however, bylaws regarding notice of meetings shall be adopted consistent with section 1.25.015*
4. *To operate, manage and control municipal land and facilities in authority inventory, including off-street parking facilities.*
5. *To design, construct, improve, alter or repair municipal land and facilities in authority inventory, including an off-street parking facility or any part of an off-street parking facility in accordance with section 25.35.170*
6. *To acquire an interest in real property or a facility, including an off-street parking facility, as necessary or appropriate to provide financing for the facility, whether by purchase, gift or lease.*
7. *As authorized by ordinance in accordance with the Charter, to lease to others municipal land or facilities in authority inventory, including an off-street parking facility or any part of an off-street parking facility, for rentals and upon the terms and conditions the authority may consider advisable, including, without limitation, provisions for options to purchase or renew.*
8. *As authorized by ordinance in accordance with the charter, to acquire, own, sell, lease, exchange, donate, convey or encumber in any manner, by mortgage or by creation of any other security interest, real or personal property owned by it or in which it has an interest. However, development authority action involving leasing, purchasing or selling of real property with over \$6,000,000.00 of municipal interest must have approval of the assembly.*
9. *As authorized by ordinance setting forth the form and manner of sale of bonds and notes in accordance with the Charter, to issue bonds in accordance with section 25.35.070 to pay the cost of a municipal facility, including an off-street parking facility, or to retire any bonds previously issued by it, and to secure payment of the bonds as provided in this chapter.*

10. *Subject to section 13.08 of the charter, to accept gifts, grants or loans from and enter into contracts, partnerships, joint ventures and similar agreements, or other transactions regarding them with any governmental or private agency or entity as the authority considers appropriate.*
 11. *To purchase its bonds, with all bonds so purchased to be cancelled.*
- B. *The authority also shall have the following powers:*
1. *To investigate and study real estate, housing and parking conditions in the municipality.*
 2. *To establish and revise rent and fee schedules for municipal land and facilities in authority inventory, including on-street parking in the municipality, for off-street parking owned or managed by the authority, and off-street public parking owned by the municipality.*
 3. *To make and enforce rules governing the use of municipal land and facilities in authority inventory, including off-street parking facilities, owned or managed by the authority.*
 4. *To manage on behalf of the municipality municipal land and facilities in authority inventory, including off-street public parking facilities and spaces designated by the municipal traffic engineer for on-street parking.*
 5. *Subject to section 13.08 of the Charter, to enter into contracts or agreements with respect to the exercise of any of its powers and to do all things necessary or convenient to carry out its corporate purposes and exercise the powers granted in this chapter.*
 6. *To enforce, through its employees, agents or designees (i.e., the fire department, department of health and human services or other municipal agencies), the provisions of the Code.”*

Audit Finding. The Board approved 15 resolutions in 2012 and 7 in 2013 as of June 6, 2013. These resolutions covered a variety of topics including parking lot management, a mobility

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impaired parking permit program, reallocation of funds from the capital budget, an investment policy, and land purchases. In addition, their 2011 Annual Report was provided to the Assembly, but the 2012 Annual Report has not yet been completed.