

SUNSET AUDIT REPORT

2018-S4

Heritage Land Bank Advisory Commission

Real Estate Department

August 10, 2018

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Municipality of Anchorage

Ethan Berkowitz, Mayor

Internal Audit Department

August 10, 2018

Honorable Mayor and Members of the Assembly:

I am pleased to present **Sunset Audit Report 2018-S4, Heritage Land Bank Advisory Commission, Real Estate Department**, 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 Heritage Land Bank Advisory Commission. The objective of this audit was to provide information to the Mayor and Assembly to assist them in determining if the Heritage Land Bank Advisory Commission 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 Heritage Land Bank Advisory Commission be reauthorized.

The Heritage Land Bank Advisory Commission will sunset on October 14, 2018, unless reauthorized by the Assembly.

Michael Chadwick, CIA, CICA
Director, Internal Audit



Municipality of Anchorage

Ethan Berkowitz, Mayor

Internal Audit Department

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Introduction. We have performed a sunset audit of the Heritage Land Bank Advisory Commission (Commission) 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 Commission should be reauthorized. Our audit included a review of meeting minutes, resolutions and agendas, and member authorization and participation.

We conducted this performance audit in accordance with generally accepted government auditing standards, except for the requirement of an external quality control review. 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 objectives. We believe that the evidence obtained

provides a reasonable basis for our findings and conclusions based on our audit objectives. The audit was performed during the period of May through July 2018.

Overall Evaluation. Based on our review of meeting minutes, resolutions, and attendance records, we recommend that the Commission 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 Commission.**

Heritage Land Bank Advisory Commission

2. **Sunset Date.**

October 14, 2018

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

Anchorage Municipal Code (AMC) subsection 4.60.200B., Heritage Land Bank Advisory Commission, states "There is established a Heritage Land Bank Advisory Commission, to perform those functions assigned to it by chapter 25.40. . . . The Heritage Land Bank Advisory Commission shall directly involve in its functions the Anchorage School District, Parks and Recreation Commission, Planning and Zoning Commission, other affected municipal agencies, community councils and the public. The commission may initiate actions with other boards and commissions when deemed necessary to perform its functions."

4. Have Commission members been appointed?

AMC subsection 4.60.200A. states "The Heritage Land Bank Advisory Commission shall be composed of seven voting public members appointed by the mayor and confirmed by the assembly. When appointing members to the Heritage Land Bank advisory commission, the mayor shall consider public members selected from a diversity of geographic residence, occupations, and civic involvement in the Anchorage community. At least one member shall reside in the Girdwood area and at least one member shall reside in the Eagle River-Chugiak area. No more than three members shall have professional interests in acquisition, financing or development of private real property within the municipality. Those persons appointed and confirmed shall serve a term of three years. No person may serve more than two consecutive three-year terms on the commission."

Audit Finding. Currently, the Commission is fully staffed.

<u>Commission Member</u>	<u>Most Recent Assembly Confirmation</u>	<u>Term Expiration Date</u>
Tim Trawver	10-27-15	10-14-18
James Fredrick	4-26-16	10-14-18
Kati Capozzi (Eagle River)	2-9-16	10-14-18
Wende Wilber	11-15-16	10-14-19
Ron Tenny (Girdwood)	11-7-17	10-14-20
Brad Quade	11-7-17	10-14-20
Peggy Looney	11-7-17	10-14-20

Source: Assembly Memorandums

5. **Are the terms of the Commission members current?**

AMC section 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 Commission members are current.

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

AMC subsection 4.05.060A., 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."*

Note: Attendance requirements found in AMC subsection 4.05.060A. were amended on April 24, 2018, by Assembly Ordinance Number 2018-31, as amended. According to Assembly Counsel, this ordinance is effective prospectively. As a result, the amended changes did not affect this sunset audit for the period beginning January 2017 and ending June 2018. AMC subsection 4.05.060A. cited above is the language prior to the April 24, 2018, amendment.

Audit Finding. One member was absent from three regular meetings without an excuse in the 12-month period from July 2017 through June 2018. This member also failed to attend two-thirds of the regular meetings in the same time period. This member has not been removed from the Commission.

No members were absent from six regular meetings within any 12-month period from January 2017 through June 2018.

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

AMC section 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 2017 and through June 2018, the Commission met 12 times. Meetings are publicly announced on the Commission's website and on the Municipality of Anchorage's Public Notices website.

8. **Are minutes taken and published?**

AMC section 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. Meeting minutes were taken at each Commission meeting. Heritage Land Bank staff keeps a copy available for the public. In addition, the meeting minutes are available on the Real Estate Department's website.

9. **Do meetings have action items or other business?**

AMC subsection 4.60.200B. states "The Heritage Land Bank Advisory Commission shall directly involve in its functions the Anchorage School District, Parks and Recreation Commission, Planning and Zoning Commission, other affected municipal agencies, community councils and the public. The commission may initiate actions with other boards and commissions when deemed necessary to perform its functions."

Audit Finding. From January 2017 through June 2018, the Commission issued 14 resolutions. These resolutions included items such as the Heritage Land Bank Annual Work Programs, Five-Year Management Plans, and the disposal of land parcels or portions thereof.