

# INTERNAL AUDIT REPORT

2019- S3

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Chugiak-Eagle River Advisory Board

Municipal Clerk's Office

August 9, 2019

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MUNICIPALITY OF ANCHORAGE  
Internal Audit Department  
632 W 6th Avenue, Suite 710  
P.O. Box 196650  
Anchorage, Alaska 99519-6650  
[www.muni.org/departments/internal\\_audit](http://www.muni.org/departments/internal_audit)



INTERNAL AUDIT DEPARTMENT  
Michael Chadwick, CIA, CICA  
Director  
Phone: (907) 343-4438

E-Mail: [michael.chadwick@anchorageak.gov](mailto:michael.chadwick@anchorageak.gov)



# Municipality of Anchorage

Ethan Berkowitz, Mayor

Internal Audit Department

August 9, 2019

Honorable Mayor and Members of the Assembly:

I am pleased to present **Sunset Audit Report 2019-S3, Chugiak-Eagle River Advisory Board, Municipal Clerk's Office**, 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 Chugiak-Eagle River Advisory Board. The objective of this audit was to provide information to the Mayor and Assembly to assist them in determining if the Chugiak-Eagle River Advisory Board 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 Chugiak-Eagle River Advisory Board be reauthorized for one year, with another sunset audit at that time. Although the Board issued four resolutions, it did not have attendance records, meeting agendas, meeting minutes, and Board members were not properly appointed. Comments were requested from the Board Chair and Municipal Clerk and were considered in this report.

The Chugiak-Eagle River Advisory Board will sunset on October 14, 2019, unless reauthorized by the Assembly.

Michael Chadwick, CIA, CICA  
Director, Internal Audit



# Municipality of Anchorage

Ethan Berkowitz, Mayor

Internal Audit Department

August 9, 2019

**Sunset Audit Report 2019-S3  
Chugiak-Eagle River Advisory Board  
Municipal Clerk's Office**

**Introduction.** We have performed a sunset audit of the Chugiak-Eagle River Advisory Board (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, 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 June through July 2019.

**Overall Evaluation.** Based on our review of meeting minutes, resolutions, and attendance records, we recommend that the Board be reauthorized for one year, with another sunset audit at that time. Although the Board issued four resolutions, it did not have attendance records, meeting agendas, meeting minutes, and Board members were not properly appointed. Comments were requested from the Board Chair and Municipal Clerk and were considered in this report.

## SUNSET FACTORS

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

1. **Name of Board.**

Chugiak-Eagle River Advisory Board

2. **Sunset Date.**

October 14, 2019

3. **The Purpose and Goal of the Board.**

*Anchorage Municipal Code (AMC) subsection 4.60.105D., Chugiak-Eagle River Advisory Board, states "The Chugiak-Eagle River Advisory Board shall serve to focus and advise on Chugiak-Eagle River area land use concerns. The advisory board shall be notified timely to provide review and make recommendations to the municipality and its boards and commissions in advance of final deliberation and decision on these matters:*

- 1. Changes to the Chugiak-Eagle River Comprehensive Plan and changes to other comprehensive plans and studies which impact the Chugiak-Eagle River area.*

2. *Actions of the platting board, planning and zoning commission, zoning board of examiners and appeals, and the urban design commission that require public notice to more than one community council in the Chugiak-Eagle River area.*
3. *Code changes, public facility site selection, overlay districts, and land use matters involving large retail establishments in the Chugiak-Eagle River area.*
4. *Other land use matters as requested on behalf of an executive department, the assembly, a board or commission of the municipality, or a community council.*”

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

*AMC subsection 4.60.105A. states “There is established the Chugiak-Eagle River Advisory Board consisting of seven members, representing Eklutna Valley, Birchwood, Chugiak, Eagle River, Eagle River Valley and South Fork. The Native Village of Eklutna and each of these six community councils shall designate a member to represent the Chugiak-Eagle River area for recommended appointment by the mayor and confirmation by the assembly.”*

**Audit Finding.** Currently, the Board is staffed with four of the required seven members.

<b><u>Board Member</u></b>	<b><u>Most Recent Assembly Confirmation</u></b>	<b><u>Term Expiration Date</u></b>
Steven L. Skipper (Eagle River Valley)	1-28-14	Expired 10-14-15
Debbie Ossiander (Birchwood)	1-28-14	Expired 10-14-16
Karl W. von Lührte (South Fork)	5-20-14	Expired 10-14-15
Robert R. Reagan (Eklutna Valley)	5-24-16	Expired 10-14-18
Vacant* (Eagle River)		
Vacant† (Chugiak)		
Vacant† (Chugiak-Eagle River At-large)		

Source: Discussions with the Board Chair and Assembly Memorandums

\*Megan Klosterman began serving on the Board in May 2019 as the representative from Eagle River Valley. According to the Board Chair, her community council voted to have her represent them on the Board. We could find no evidence that she was confirmed by the Assembly.

†According to the Board Chair, the community councils will often send someone to represent them when the Board meets. However, there is little consistency on who the community councils will send to the Board meetings.

**5. Are the terms of the Board 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 Board members expired, but they continue to serve on the Board.

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

*AMC subsection 4.05.060A., Attendance requirements; vacancies, states "The office of a member of a board or commission member shall become vacant if the member:*

- 1. Ceases to meet the qualifications prescribed for the office;*
- 2. Resigns;*
- 3. Dies;*
- 4. Is judicially determined to be incompetent;*

5. *Is convicted of a felony;*
6. *Is removed from office for breach of the public trust; or*
7. *During any 12-month period while in office:*
  - a. *Is absent from three regular meetings without excuse;*
  - b. *Is absent from:*
    - i. *Six regular meetings; or*
    - ii. *Eight regular meetings for members of the planning and zoning commission, urban design commission, platting board, or zoning board of examiners and appeals; or*
  - c. *Fails to attend a two-thirds majority of the regular meetings without excuse.”*

Note: Attendance requirements found in AMC subsection 4.05.060A. were amended on April 24, 2018, by Assembly Ordinance Number 2018-31, as amended and shown above. According to Assembly Counsel, this ordinance is effective prospectively. As a result, we evaluated attendance from May 2018 to the end of June 2019.

**Audit Finding.** We found no meeting attendance records. As a result, we were not able to verify whether the Board members satisfied the attendance requirement. However, Board resolutions approved in two Board meetings indicated Board attendance.

7. **Does the Board 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 2018 through June 2019, it appears the Board met two times. According to the Board's Chair, the Board does not have a regular meeting schedule. Instead, the Board meets when requested by an Assembly member, Municipal staff, or when at least two Board members feel an issue is important enough to meet so that the Board can take a position. Meetings are publicly announced on the Mayor's Boards and Commissions Events website, the Municipality of Anchorage's Public Notices website, through the Federation of Community Councils, and through extensive email contacts maintained by the Board's Chair.

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 not taken at the two Board meetings. The Municipal Clerk's Office provided an MP3 player for the Board to record its meeting minutes and arranged for the MP3 player to be kept at the Eagle River Parks and Recreation office so that the Board could have easy access to it. Eagle River Parks and Recreation staff agreed to upload the recorded minutes to the Municipal meetings website. However, when we reviewed the Municipal meetings website, we did not find any minutes. The Board claimed that the MP3 player was not functioning. After staff at the Municipal Clerk's Office tested the MP3 player, they provided the Board with a replacement. We checked the MP3 player and memory card of the non-functioning MP3 player and the replacement MP3 player. We found that there were no recorded minutes for the 2018 and 2019 meetings on either MP3 players' memory cards. However, we did find meeting minutes from the Board's 2016 and 2017 meetings.

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

*AMC 4.60.105.D states "The Chugiak-Eagle River Advisory Board shall serve to focus and advise on Chugiak-Eagle River area land use concerns. The advisory board shall be notified timely to provide review and make recommendations to the municipality and its boards and commissions in advance of final deliberation and decision on these matters:*

- 1. Changes to the Chugiak-Eagle River Comprehensive Plan and changes to other comprehensive plans and studies which impact the Chugiak-Eagle River area.*
- 2. Actions of the platting board, planning and zoning commission, zoning board of examiners and appeals, and the urban design commission that require public notice to more than one community council in the Chugiak-Eagle River area.*
- 3. Code changes, public facility site selection, overlay districts, and land use matters involving large retail establishments in the Chugiak-Eagle River area.*
- 4. Other land use matters as requested on behalf of an executive department, the assembly, a board or commission of the municipality, or a community council."*

**Audit Finding.** From January 2018 through June 2019, the Board issued four resolutions regarding the Chugiak-Eagle River Comprehensive Plan Update, rural road issues, private roads and driveways, and the need for a local cemetery.