

SUNSET AUDIT REPORT

2018-S8

Public Transit Advisory Board

Public Transportation 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-S8, Public Transit Advisory Board, Public Transportation 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 Public Transit Advisory Board. The objective of this audit was to provide information to the Mayor and Assembly to assist them in determining if the Public Transit 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 Public Transit Advisory Board be reauthorized. The Public Transit Advisory Board is staffed with eight of the required nine members. However, the terms for two Public Transit Advisory Board members expired on October 14, 2017, but these members continue to serve on the Public Transit Advisory Board. One of these Public Transit Advisory Board members had a pending resignation and the other Public Transit Advisory Board member had a reappointment pending Assembly approval.

The Public Transit Advisory Board 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

August 10, 2018

**Sunset Audit Report 2018-S8
Public Transit Advisory Board
Public Transportation Department**

Introduction. We have performed a sunset audit of the Public Transit 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 May through July 2018.

Overall Evaluation. Based on our review of meeting minutes, resolutions, and attendance records, we recommend that the Board be reauthorized. The Board is staffed with eight of the required nine members. However, the terms for two Board members expired on October 14, 2017, but these members continue to serve on the Board. One of these Board members had a pending resignation and the other Board member had a reappointment pending Assembly approval.

SUNSET FACTORS

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

1. **Name of Board.**

Public Transit Advisory Board

2. **Sunset Date.**

October 14, 2018

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

Anchorage Municipal Code (AMC) subsection 4.60.100A., Public transit advisory board, states “The board is intended to contribute to the long range planning of a balanced public transit system in the municipality. The board is not intended to regulate the transportation industry or to adjudicate the rights and duties of public and private carriers.”

4. Have Board members been appointed?

AMC subsection 4.60.100A. states “There is established a public transit advisory board consisting of nine persons to advise the assembly and the mayor. At least two of the members shall be disabled.”

Audit Finding. Currently, the Board is staffed with eight of the required nine members.

<u>Board Member</u>	<u>Most Recent Assembly Confirmation</u>	<u>Term Expiration Date</u>
Andrew Ooms	12-8-15	10-14-18
Samuel Moore	12-8-15	10-14-18
Britta Hamre ¹	3-22-16	Expired 10-14-17
Gretchen Wehmhoff ²	6-27-17	Expired 10-14-17
Guadalupe Lugo	7-25-17	10-14-19
Doug Miller	3-6-18	10-14-20
Elijah Haines	4-10-18	10-14-19
Freddie Olin IV	4-10-18	10-14-20
Vacant		

¹At the time of this sunset audit, Britta Hamre had a pending resignation.

²At the time of this sunset audit, Gretchen Wehmhoff’s reappointment was pending Assembly approval.

Source: Assembly Memorandums and Public Transit Advisory Board staff

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 six of the eight Board members are current. The terms for the remaining two Board members expired on October 14, 2017, but these members 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 ". . . 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. No members were absent from three regular meetings without an excuse within any 12-month period from January 2017 through June 2018.

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

All members attended at least two-thirds of the regular meetings within any 12-month period from January 2017 through June 2018.

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 2017 through June 2018, the Board met 13 times. Meetings are publicly announced on the Board’s website and on the Municipality of Anchorage’s (Municipality) 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 Board meeting. Public Transportation Department staff keeps a copy available for the public. In addition, the meeting minutes are available on the Public Transportation Department’s website.

9. Do meetings have action items or other business?

AMC subsection 4.60.100B. states, “The board shall:

- 1. Conduct investigations into the requirements for a balanced publicly owned and operated transit system within the municipality.*
- 2. Make recommendations to the assembly and the mayor on municipal policy with respect to:*
 - i. Routes, fares, schedules, levels of service and service area of publicly owned and operated transit systems.*
 - ii. Fares, levels of service and service area of publicly owned and operated paratransit systems.*
 - iii. Integration of public and private transit systems.*
 - iv. Budget review, capital improvement programs and funding of publicly owned and operated transit systems.*
 - v. The location and development of transit facilities, transit corridors and those aspects of transit that contribute to orderly and economic development within the municipality.*
 - vi. Other matters relating to municipal transportation policy as the assembly, by ordinance or resolution, may direct, or as the mayor, by written request, may direct.*
- 3. Assist the assembly and mayor in supporting and promoting the use of transit in the municipality and in locating, developing and obtaining funding for the publicly owned and operated transit system.”*

Audit Finding. In 2017, the Board passed and approved resolutions in support of maintaining full funding for the Municipality’s Public Transportation Department, restoration of funding and full financial support for the 2018 Public Transportation budget, and an application for an Alaska Mental Health Trust grant. In addition, in 2018, the Board passed and approved another resolution supporting restoration of funding and full financial support for the 2018 Public Transportation budget. Finally, Board meetings included public comment and discussions, such as Eagle River service options, feedback from “Anchorage Talks Transit,” ridership reports, a marketing plan, the performance of an electric bus, and new bus routes and schedules.