

# SUNSET AUDIT REPORT

2023-S3

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Port of Alaska Modernization Program and Design  
Advisory Board

Port of Alaska

August 11, 2023

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**MUNICIPALITY OF ANCHORAGE**  
**MAYOR DAVE BRONSON**

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**OFFICE OF INTERNAL AUDIT**

August 11, 2023

Honorable Mayor and Members of the Assembly:

I am pleased to present **Sunset Audit Report 2023-S3, Port of Alaska Modernization Program and Design Advisory Board, Port of Alaska**, 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 Port of Alaska Modernization Program and Design Advisory Board. The objective of this audit was to provide information to the Mayor and Assembly to assist them in determining if the Port of Alaska Modernization Program and Design 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 documents pertaining to matters such as meeting agendas, meeting minutes, resolutions, member authorization, and member participation, we recommend that the Port of Alaska Modernization Program and Design Advisory Board be allowed to sunset and not be reauthorized. According to Port of Alaska Modernization Program and Design Advisory Board's Chair, he believes that the Port of Alaska Modernization Program and Design Advisory Board has done its job.

The Port of Alaska Modernization Program and Design Advisory Board will sunset on October 14, 2023, unless reauthorized by the Assembly.

Scott Lee  
Acting Director, Internal Audit



**MUNICIPALITY OF ANCHORAGE**  
**MAYOR DAVE BRONSON**

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**OFFICE OF INTERNAL AUDIT**

August 11, 2023

**Sunset Audit Report 2023-S3**  
**Port of Alaska Modernization Program and Design Advisory Board**  
**Port of Alaska**

**Introduction.** We have performed a sunset audit of the Port of Alaska Modernization Program and Design Advisory Board (Board) as required by Assembly Ordinance (AO) 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 documents pertaining to matters such as meeting agendas, meeting minutes, resolutions, member authorization, and member 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.

**Overall Evaluation.** Based on our review of documents pertaining to matters such as meeting agendas, meeting minutes, resolutions, member authorization, and member participation, we recommend that the Board be allowed to sunset and not be reauthorized. According to Board's Chair, he believes that the Board has done its job.

## **SUNSET FACTORS**

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

1. **Board Name.**

Port of Alaska Modernization Program and Design Advisory Board

2. **Sunset Date.**

October 14, 2023

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

*Anchorage Municipal Code (AMC) subsection 4.50.110A., Port of Alaska Modernization Program and Design Advisory Board, states "There is established a Port of Alaska Modernization Program and Design Advisory Board that shall function as a steering committee with powers and duties more specifically set forth in chapter 11.50."*



*AMC subsection 11.50.035A., Board established, purpose, states:*

*“A. Board established, purpose.*

- 1. The Port of Alaska Modernization Program (PAMP) is a necessary project that will:
  - a. Enable safe, reliable, and cost-effective port operations.*
  - b. Improve resiliency to enable facilities to survive extreme seismic events and Cook Inlet's harsh marine environment with minimal operation disruption for at least 75 years.*
  - c. Update facilities to improve operational efficiency and sustainably accommodate modern shipping operations (e.g., support larger, deeper draft vessels, etc.).*
  - d. Optimize facilities to accommodate changing statewide economic and market needs (e.g., petroleum product shipments are increasing significantly faster than general cargo growth due to Flint Hills refinery closure in 2014).*
  - e. Optimize project scope, schedule, and budget to deliver practical, timely, and cost-effective port modernization program.**
- 2. It is in the collective interest of the residents of Alaska, the Port of Alaska, and the petroleum and cargo users of the port to see PAMP's mission undertaken in an efficient and collaborative manner, to secure third-party funding sources, and to ensure such efforts do not interfere with internal development activities of the port users.*
- 3. To further coordination among these interested parties, the Port of Alaska Modernization Program (PAMP) and Design Advisory Board is established to hear disputes between the users and the port administration regarding non-structural engineering design criteria (user requirements), seismically resilient dock designation and project management for future cargo and fuels infrastructure to assist in moving the program forward.”*

4. **Is the Board fully staffed?**

*AMC subsection 11.50.035B., Membership, states:*

*“B. The PAMP-Design Advisory Board shall consist of five voting members. Members of the board shall be appointed by the mayor and confirmed by the assembly. The port director shall provide or designate staff support for the board.*

*1. The five voting members of the board shall include:*

- a. The Director of the Port of Alaska, or the director's designee.*
- b. A member selected by the mayor. Upon a new mayor being seated, this position shall be deemed vacant.*
- c. A member nominated by Matson.*
- d. A member nominated by TOTE.*
- e. A member representing a petroleum user, nominated by the Port of Alaska User's Group.”*

**Audit Finding.** Currently, the Board is staffed with one out of five required members. Four other Board members currently serving on the Board were never confirmed by the Assembly.

<u>Board Member</u>	<u>Most Recent Assembly Confirmation</u>	<u>Term Expiration Date</u>
Steve Ribuffo (Director of the Port of Alaska)*	N/A	N/A
Kent Kohlhasse (Member selected by the Mayor)	3-3-23	TBD <sup>§</sup>
Vic Angoco (Matson Representative) <sup>†</sup>	N/A	N/A
Art Dahlin (TOTE Representative) <sup>†</sup>	N/A	N/A
Bert Mattingly (Petroleum User Representative)*	N/A	N/A

Source: Correspondences with the Port Director and Assembly Memorandums

\*Steve Ribuffo and Bert Mattingly began serving on the Board in May 2019 as the Director of the Port (Board Chair) and Petroleum User Representative since the establishment of the Board by the AO 2020-81. However, we could find no evidence that they were confirmed by the Assembly.

<sup>§</sup> AMC subsection 11.50.035B defines this member seat as “A member selected by the mayor. Upon a new mayor being seated, this position shall be deemed vacant.”

<sup>†</sup> Vic Angoco and Art Dahlin began serving as Matson Representative and TOTE Representative in July/August 2022. However, we could find no evidence that they were confirmed by the Assembly.

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 the only member confirmed by the Assembly, is current.

**6. Were 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."*

**Audit Finding.** No members were absent from three regular meetings without an excuse during any 12-month period from January 2022 through June 2023.

No members were absent from eight regular meetings during any 12-month period from January 2022 through June 2023.

No members failed to attend two-thirds of the regular meetings without an excuse during any 12-month period from January 2022 through June 2023.



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

*AMC subsection 11.50.035C, Meetings and procedures of the board, states*

- "1. The board shall meet as often as determined necessary by the board, and not less than twice a year.*
- 2. The Port of Alaska will provide project updates as needed to the board, but not less than quarterly.*
- 3. A majority of seats of the board shall constitute a quorum.*
- 4. An affirmative vote of a simple majority of the full board s required to approve any substantive motion or measure.*
- 5. The Director of the Port of Alaska or designee shall serve as chair of the board."*

**Audit Finding.** From January 2022 through June 2023 the Board held two regular meetings. Meetings are publicly announced on the Port's website. However, we did not find any evidence that the meetings were announced on the Municipality Event website nor the Boards and Commissions Event website.

**8. Were 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. Port of Alaska staff keeps a copy available for the public. In addition, the meeting minutes for the Board's August 2, 2022, meeting and the video recordings of the Board's December 20, 2022, meeting are posted on the Port's website.

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

*AMC subsection 11.50.035A., states:*

*“A. Board established, purpose.*

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  - d. Optimize facilities to accommodate changing statewide economic and market needs (e.g., petroleum product shipments are increasing significantly faster than general cargo growth due to Flint Hills refinery closure in 2014).*
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- 3. To further coordination among these interested parties, the Port of Alaska Modernization Program (PAMP) and Design Advisory Board is established to hear disputes between the users and the port administration regarding non-structural engineering design criteria (user requirements), seismically resilient dock designation and project management for future cargo and fuels infrastructure to assist in moving the program forward.”*

**Audit Finding.** In August 2022, the Board provided a letter to the Mayor regarding the votes on PAMP related design recommendations. Meeting minutes also contained the Board's vote on recommendations, and discussion of the presentation from engineers on changes to PAMP cargo dock design elements and the associated design schedule. In addition, in December 2022, the Board provided another letter to the Mayor regarding the vote on recommendations for a change to the Port of Alaska cargo dock basis of design configuration.