



Charlotte City Council
Budget and Effectiveness Committee
Meeting Summary
Wednesday, January 6,
2020

**COMMITTEE AGENDA
TOPICS**

- Agenda Overview
- I. FY 2020 Financial Audit Report
 - II. Review of Ethics Policy Updates
 - III. Review of the Citizen Advisory Committee on Governance Recommendations

COMMITTEE INFORMATION

Committee Members Present: Ed Driggs (Chair), Julie Eiselt (Vice Chair), Dimple Ajmera, Malcolm Graham, Renee Johnson.

Staff Resources: Kelly Flannery, Chief Financial Officer

Meeting Duration: 2:30 p.m. – 4:00 p.m.

ATTACHMENTS

1. Agenda
2. Audit Results Presentation
3. Ethics Policy Overview Presentation
4. Version 2 Draft Code of Ethics
5. CACG Recommendations Presentation

DISCUSSION HIGHLIGHTS

FY 2020 Financial Audit Report

External Auditor, Daniel Gougherty shared the results of the FY2020 Audit which was performed in accordance with generally accepted auditing standards. The key highlights stated Gougherty issued a clean, unmodified opinion, which is the highest opinion that can be issued under their standards. The financial statements were free from material weaknesses or significant deficiencies and there were no compliance findings, no adjusting journal entries. Gougherty noted there were good internal controls and full cooperation with management. The Federal programs audited this year included the Community Development Block Grant, The Corona Virus Relief Fund, The Republican National Convention Grant, and The Federal Transit Cluster. The two State programs that were tested were The Powell Bill and the State Maintenance Assistance Program.

Council member, Dimple Ajmera asked if the report included an audit of the Firefighters Retirement Plan and inquired about the rotation requirements for auditing firms. Gougherty said that this is in a separate report. Chief Financial Officer, Kelly Flannery responded that the GFOA recommendation for audit firm rotation is every five to seven years.

Review of Ethics Policy Updates

Chair, Ed Driggs Summarized the Ethics Policy update: Requirements were strengthened with the requirement within the policy to ensure that a Council member with any ethics concerns must discuss those concerns with the City Attorney and is bound to act in accordance with the recommendation of the City Attorney. The complaint process was changed as well so that the City Attorney can make a prima facie determination to determine the complaints validity to avoid unsubstantial complaints.

Deputy City Attorney, Lina James discussed additional clarifications to previous amendments to the Ethics Policy. Part A, Section 3.b. includes the approved revised language regarding Council members obligation to seek the City Attorney's advice if there is a perceived conflict. The additional clarification makes it clear that the obligation to seek this advice falls on the Council member, not on a contractor, subcontractor or city staff. Clarifications were also added to Part D, Section 1. that constitutes the prima facie allegation definition with language that addresses possible types of prima facie allegations including (but not limited to) misappropriation of city resources, fraudulent or criminal activity, or any activity constituting harassment or sexual harassment which covers the scope of a member of the public. The existing Council harassment policy only covers Council members and city employees not complaints received from the public.

Vote: There was a motion to adopt the clarifications to the amendment policy made by Vice Chair, Julie Eiselt and seconded by Council member, Malcolm Graham seconded. The motion was approved by a majority vote. Eiselt, Graham, and Driggs voted yes; Council members Johnson and Ajmera voted no.

Review of the Citizen Advisory Committee on Governance Recommendations

City Attorney, Patrick Baker informed the Committee of the proposed recommendations and actions made by the CAGC for consideration for approval by Council. Recommendations were divided into actions that Council could do versus actions that require action by the NC General Assembly. The four-years term contingent on term limits recommendation, for example, would need to go to NC General Assembly for a referendum to amend the NC Constitution. Any such referendum would need to be on the November 2 ballot.

Eiselt commented that she would like the option to discuss the recommendation for four year terms for the Mayor separate from the recommendation for four year terms for Council.

Driggs sought input on how the Committee would like to present the information for discussion by full Council at the Summit.

Vote: Eiselt made a motion to remove the topic of term limits from the recommendations moving forward for full Council to consider. Graham seconded the motion which passed unanimously.

Vote: Johnson made a motion to remove non-partisanship elections and the additional district from the recommendations to full Council. Ajmera seconded the motion. The motion failed with Graham, Eiselt, and Driggs voting no; and Ajmera and Johnson voting yes.

Meeting adjourned at 3:44 pm.

Next Meeting: The next meeting is scheduled for January 26th at 2:30 pm.