



Charlotte City Council
Budget and Effectiveness Committee
Meeting Summary
December 11, 2018

COMMITTEE AGENDA TOPICS

- I. City Auditor Workplan
- II. Debt Overview

COMMITTEE INFORMATION

Committee Members Present: Greg Phipps (Chair), Ed Driggs (Vice Chair), Dimple Ajmera, Tariq Bokhari, LaWana Mayfield

Staff Resources: Sabrina Joy-Hogg, City Manager’s Office
Phil Reiger, Strategy and Budget Office
Tina Adams, City Auditor
Robert Campbell, Finance Director
Guest Presenter: Doug Carter, Financial Advisor

Meeting Duration: 1:30 p.m. – 3:00 p.m.

ATTACHMENTS

- 1. Agenda
- 2. City Auditor Handout
- 3. Presentation- City Auditor Workplan
- 3. Presentation- Debt Overview

DISCUSSION HIGHLIGHTS

City Auditor

City Auditor, Tina Adams, provided an informational presentation on the City Auditor Workplan. She overviewed the Audit Departments activities as defined by the Government Accountability Office and the Audit Plan. The Audit Plan includes audits in progress, follow-ups of prior year report recommendations, regularly scheduled audits and additional audits being planned, or under consideration for later years. Adams stated that the Audit Plans are generally published in the month of May. There were nine audits issued in fiscal year 2019. The audits focused on cash collections, grants, Airport concessions, cybersecurity, and employee policies. To date, there are thirteen audits in progress and three that are under planning. Adams shared that drafts of the Audit Plans are reviewed by the City Manager’s Office, published to the City’s website, and reviewed by external auditors for further

consultation. It was discussed that there is not a formalized approval process for Audit Plans but there are opportunities to review and accountability. Adams shared the processes for follow-up and incomplete audits stating that all audits are typically completed by the following Audit Plan year. Adams concluded the presentation discussing the planned Audit categories: overtime, Charlotte Business Inclusion, and Financial Accounting Internal Controls.

Debt Overview

Finance Director, Robert Campbell, introduced the City's Financial Advisor, Doug Carter to the committee. Carter provided an overview on the City of Charlotte's character and rating stating that the City is one of the few organizations with very good credit ratings due to current management and performance from the past. Carter reviewed the role of the Local Government Commission and then provided an overview of the city's outstanding debt. As of June 30, 2018, the total debt is \$4.3 billion (General Government \$1.3 billion and Enterprise \$3.0 billion). It was stated that significant planned new debt in both funds. Carter explained the various forms of debt and methods of issuance. The most common and seldom used methods. The most common are General Obligation Bonds, Certificates of Participation (COPS) / Limited Obligation Bonds (LOBS), and Enterprise System Revenue Bonds. Carter reviewed the existing debt measures and ratios for the general government and enterprise funds and existing debt by credit entities. Carter concluded by discussing the outlook. He shared the future outlook is in providing alternatives for decision making and continuous improvements and returning the prioritizations methods to pre "big ideas" discipline.

Meeting adjourned at 3:10pm.