

# DST POLICIES AND PROCEDURES

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<b>DST Reference:</b>	<b>SLG-POL-1003-SLG</b>
<b>Title:</b>	<b>Policy on LGC Meeting Attendance by Unit with Unit Letter</b>
<b>Chapter:</b>	<b>Local Government Commission Administration</b>
<b>Current Effective Date:</b>	<b>February 20, 2021</b>
<b>Original Effective Date:</b>	<b>April 5, 2016*</b>

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**Applies to:** N.C. Department of State Treasurer – State & Local Government Finance Division – Local Government Commission

**Keywords:** Unit Letter, Debt Application, Local Government Commission, Unit of Local Government

## Background

The staff of the State and Local Government Finance Division (“SLGFD”) provides support to the Local Government Commission (“LGC” or “Commission”). The LGC is a governmental entity of the State of North Carolina housed within the Department of State Treasurer. It is responsible for monitoring the fiscal health of North Carolina units of local government and public authorities (collectively “Units”) pursuant to G.S. Chapter 159, including reviewing the annual audits of all Units and approving their applications to issue debt. The Commission, through its Fiscal Management staff, from time-to-time issues unit letters (Unit Letters) to Units based on the most recent audit review and analysis of the Units’ fiscal health. The Commission’s Debt Management staff uses such Unit Letters and the underlying audited financial statements to make recommendations to the Commission regarding the approval of debt applications. In turn, the Commission uses such Unit Letters and the staff recommendations to make decisions regarding debt applications.

## Purpose and Authority

This policy establishes a method by which a Unit may participate in a Commission meeting when the Unit has submitted an application for the issuance of debt that will be considered at such meeting, and the Unit has received a Unit Letter that will be used to help determine whether to approve the debt application. Pursuant to G.S. Chapter 159 and its authority to monitor the fiscal health of Units, the Commission may request representatives of the Unit to attend the meeting at which the application will be considered and answer questions about the issues raised in the Unit Letter.

## Policy

The Commission desires to hear directly from any Unit, either in person or by conference call participation at an LGC meeting, whenever the Unit has submitted an application for the issuance of debt and has received a Unit Letter regarding the audited financial statements that are being used to make decisions on said debt application. In some cases, the matters addressed in a Unit Letter are resolved to the satisfaction of the Commission staff prior to the Commission meeting in question, thereby obviating the need for the Unit to attend the meeting. Even if the Unit’s attendance is deemed unnecessary, the Unit should have appropriate personnel available for a conference call during the LGC meeting, in the event a Commission member desires to ask questions of or obtain information from the Unit. All decisions regarding a Unit’s attendance will be made on a case-by-case basis by the Commission’s Secretary in consultation with SLGFD staff.

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<b>Title:</b>	<b>Policy on LGC Meeting Attendance by Unit in Receipt of Unit Letter</b>	
<b>Chapter:</b>	<b>Local Government Commission Administration</b>	
<b>Current Effective Date:</b>	<b>February 20, 2021</b>	

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# DST POLICIES AND PROCEDURES

## Definitions

DST – Department of State Treasurer  
SLGFD – State and Local Government Finance Division  
LGC or Commission – Local Government Commission  
Unit – North Carolina public authority or unit of local government  
G.S. – North Carolina General Statute

## Roles and Responsibilities

The policy is administered by the Director of the SLGFD as Secretary to the LGC, with the assistance of additional DST and SLGFD staff including but not limited to the Director of the Debt Management Section and the Director of the Fiscal Management Section.

## Implementation

**This is an external policy.** It was approved by resolution of the LGC at its meeting on April 5, 2016 and became effective immediately.

## References

- A Resolution to Require Units with Pending Debt Applications and Unit Letters to Attend the Local Government Commission Meeting at Which their Debt Application will be Considered
- G.S. Chapter 159

## Revision/Review History

Version	Date Approved	Description of Changes
1.0	12/11/2016	*New policy per LGC meeting resolution April 5, 2016.
2.0	4/26/2018	Modification to suggest that Units should have personnel available by phone during an LGC meeting, even if Unit's attendance is not required
2.1	8/26/2019	Technical changes to wording, added text of LGC resolution upon which policy is based as an appendix.
2.2	2/20/2021	Tech changes to make minor wording changes, updated points of contact

## Appendix

Appendix A – *A Resolution to Require Units with Pending Debt Applications and Unit Letters to Attend the Local Government Commission Meeting at Which their Debt Application will be Considered*

For questions or clarification on any of the information contained in this policy, please contact the policy owner or designated contact: [Director of Fiscal Management Section Susan McCullen at susan.mccullen@nctreasurer.com](mailto:susan.mccullen@nctreasurer.com) and [Director of Debt Management Section Tim Romocki at tim.romocki@nctreasurer.com](mailto:tim.romocki@nctreasurer.com). For general questions about department-wide policies and procedures, contact the [DST Policy Coordinator](#).

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## Appendix A

Resolution #2

### **A Resolution to Require Units with Pending Debt Applications and Unit Letters to Attend the Local Government Commission Meeting at Which their Debt Application will be Considered**

WHEREAS, the Local Government Commission ("Commission") is a governmental entity of the State of North Carolina housed within the Department of State Treasurer; and

WHEREAS, the Commission is responsible for monitoring the fiscal health of North Carolina units of local government and public authorities (collectively "Units") pursuant to GS Chapter 159, including reviewing the annual audits of all Units and approving their applications to issue debt; and

WHEREAS, the Commission, through its Fiscal Management staff, from time-to-time issues unit letters to Units based on the most recent audit review and analysis of the Units' fiscal health; and

WHEREAS, the Commission's Debt Management staff uses such unit letters and the underlying audited financial statements to make recommendations to the Commission regarding the approval of debt applications; and

WHEREAS, the Commission uses such unit letters and the staff recommendations to make decisions regarding debt applications; and

WHEREAS, whenever a Unit submits an application to issue debt and has received a unit letter regarding the audited financial statements that are being used to make decisions on said debt application, the Commission would like for representatives of the Unit to attend the meeting at which the application will be considered, and be prepared to answer questions about the issues raised in the unit letter; and

WHEREAS, in some cases the matters addressed in a unit letter are resolved to the satisfaction of the Commission staff prior to the Commission meeting at which the debt application in question would be considered, thereby obviating the need for the Unit to attend the meeting.

**NOW THEREFORE, BE IT RESOLVED** by the Commission as follows:

1. Whenever a Unit with a debt application on a Commission meeting agenda has received a unit letter concerning the audited financial statements being used to make recommendations and decisions on such debt application, the Unit will be invited and expected to attend the Commission meeting to answer questions regarding the debt application and the issues addressed in the unit letter.
2. The Commission may, in its discretion, allow the Unit to appear at its meeting by telephone.

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## Resolution #2

3. The Chair, in consultation with the Secretary of the Commission, may determine that the issues raised in the unit letter have been satisfactorily addressed and waive the requirement for meeting attendance on a case-by-case basis.
4. This resolution shall take effect immediately upon its passage.