

DETROIT FINANCIAL REVIEW COMMISSION

SCHOOL DISTRICT REGULAR MEETING

Monday, October 29, 2018
Following the City Regular Meeting
(Begins no earlier than 1:05 p.m.)
Cadillac Place, Suite L-150
3062 West Grand Boulevard
Detroit, MI 48202

MINUTES

Approved: November 19, 2018

I. Call to Order

Chairman Nick Khouri called the meeting to order at 1:10 p.m.

II. Roll Call

Members Present – 8

Darrell Burks (via teleconference)
Stacy Fox (via teleconference)
Nick Khouri
Bill Martin
Ike Mckinnon (via teleconference)
Iris Taylor
Nicholai Vitti
John Walsh

Members Absent – 3

Brenda Jones (non-voting)
Mike Duggan (non-voting)
David Nicholson

Let the record show that 8 Commission members eligible to vote were present. 5 participated in person, and 3 participated via teleconference. A quorum was present.

III. Approval of Proposed Minutes from the September 24, 2018 School District Meeting

Motion made to approve the draft minutes of the Commission's September 24, 2018 School District Meeting as presented. Motion moved and supported, the Commission approved the minutes of the September 24, 2018 meeting as presented.

Old Business – None

IV. New Business

a. Consideration of 2019 Regular Meeting Schedule (FRC School District Resolution 2018-26)

Motion made to approve the FRC's 2019 Regular Meeting schedule (FRC School District Resolution 2018-26) as presented. Motion moved and supported. The Commission approved School District's Resolution 2018-26 as presented.

b. DPS Financial Report

Chief Financial Officer Jeremy Vidito presented the Financial Report for DPS and stated that DPS is primarily a wind-down entity whose purpose is the satisfaction of legacy debt obligations.

He further stated that Tax collections for August were \$5.5 million from the 13 mills levy and \$5.6 million from the 18 mills levy which expires in 2022. Expenditures for August were \$8.1 million which consisted of the final payment to Sodexo Management. The \$25.8 million draw from Bank of New York for the agreed 18 mills reimbursement was completed in August. As of August 30, 2018, DPS's cash balance is \$10.1 million, and the projected year-end cash balance for FY 2019 is \$5.0 million. He addressed questions from the Commission.

c. Presentation of the Community District's Monthly Financial Report

Chief Financial Officer Jeremy Vidito presented the monthly financial report and stated that based on actual results through August 2018, DPSCD have a surplus of \$57.9 million of revenues over expenditures, but the projected budget showed a \$47.3 million surplus, which is a \$10.6 million positive variance. The District is behind plan by \$1.5 million on the August YTD in the receipt of budgeted revenues but was offset by expenditure savings in purchased services, due to contracted vendors not being able to provide adequate levels of staffing for special education services.

Mr. Vidito also reported that DPSCD's cash balance as of August 30, 2018, is \$195.3 million and the projected year-end cash balance for FY 2019 is \$246.0 million, the District's internal service and fiduciary account cash balance is \$43.1 million, and the projected year-end cash balance for FY 2019 is \$14.1 million. He addressed questions from the Commission.

d. Consideration of the Community District's October 2018 contract approval requests per MCL 141.1636 (6) (FRC School District Resolution 2018-27)

Public Act 181 of 2014 requires the Financial Review Commission to review and approve contracts meeting any of the three criteria: 1) the contract exceeds \$750,000; 2) the contract has a term exceeding 2 years; and 3) multiple contracts within a single entity that exceed \$750,000 in aggregate.

Chief Financial Officer, Jeremy Vidito gave a brief overview of the Community District's 6 contract approval requests and addressed questions from the Commission. All contracts have been reviewed by the FRC Advisory Subcommittee on Contracts and Procurement.

Motion made to consider and approve the 6 Community District's October 2018 contract approval requests (FRC School District Resolution 2018-27).

Motion moved and supported. The Commission approve School District Resolution 2018-27 as presented.

e. Consideration of the Community District's October 2018 out-of-state travel reimbursement requests per MCL 141.1637(q) (FRC School District Resolution 2018-28)

Public Act 181 of 2014 requires the Financial Review Commission to review and approve the Community District's out-of-state travel reimbursements to school board members, officials, and employees. Mr. Vidito presented request for the Community District's September 2018 out-of-state travel.

Motion made to approve the 1 Community District's October 2018 out-of-state travel reimbursement requests (FRC School District Resolution 2018-28) as presented. Motion moved and supported. The Commission approved School District Resolution 2018-28 as presented.

V. Public Comment

Helen Moore
Tracey Peters

VI. Next Meeting Date

School District Regular Meeting: November 19, 2018, following the City Meeting, beginning no earlier than 1:05 p.m. at Cadillac Place, 3062 West Grand Boulevard, Suite L-150, Detroit, MI 48202.

VII. Adjournment

Motion made to adjourn. Motion moved and supported, the Commission approved the motion to adjourn.

There being no further business, the meeting adjourned at 1:30 p.m.

FRC Committee Monthly Meeting
School District
Resolution Roll Call
Monday, October 29, 2018

FRC 10/29/2018 Meeting (DPSCD)	School District Resolution 2018-26 Consideration of FRC 2019 Meeting Schedule Roll Call	School District Resolution 2018-27 (Consideration of SD October Contracts Request) Roll Call	School District Resolution 2018 -28 Consideration of SD October out-of-state travel requests) Roll Call
Mr. Burks	Yes	Yes	Yes
Ms. Fox	Yes	Yes	Yes
Mr. Martin	Yes	Yes	Yes
Mr. Khouri	Yes	Yes	Yes
Mr. McKinnon	Yes	Yes	Yes
Mr. Nicolson	Absent	Absent	Absent
Ms. Taylor	Yes	Yes	Yes
Mr. Vitti	Yes	Yes	Yes
Mr. Walsh	Yes	Yes	Yes

Signed by: B. Greaves
Beverly C. Greaves- Secretary

Date: 10/29/2018