

# DETROIT FINANCIAL REVIEW COMMISSION

## CITY REGULAR MEETING

Monday, April 16, 2018 at 1:05 p.m.  
Cadillac Place, Suite L-150  
3062 West Grand Boulevard  
Detroit, MI 48202

### MINUTES

**Approved: June 25, 2018**

#### **I. Call to Order**

Chairman Nick Khouri called the meeting to order at 1:00 p.m.

#### **II. Roll Call**

##### Members Present –9

Darell Burks (via teleconference)  
Mike Duggan  
Stacy Fox  
Nick Khouri  
Brenda Jones  
Bill Martin  
Dr. Ike McKinnon (via teleconference)  
David Nicholson  
John Walsh (via teleconference)

##### Members Absent – 2

Dr. Iris Taylor (non-voting)  
Dr. Nicholai Vitti (non-voting)

Let the record show that 9 Commission members eligible to vote were present, 6 participated in person and 3 participated via teleconference. A quorum was present.

#### **Approval of Proposed Minutes from the March 26, 2018 City Meeting**

Motion made to approve the draft minutes of the Commission's March 26, 2018 City Meeting as presented. Motion moved and supported, the Commission approved the minutes of the March 26, 2018 meeting as presented.

#### **III. Executive Director's Report**

Kevin Kubacki stated that Marti Kopacz and the FRC staff will present a report on the City's Four-Year Financial Plan at today's meeting

#### **IV. Old Business**

##### **a. City's FY2019-FY2022 Four-Year Financial Plan – Staff Report**

Marti Kopacz and Kevin Kubacki presented a report on the City's Four-Year Financial Plan. In addition to historical context of the FRC's involvement in reviewing previous years' plans, they included an executive summary bullet points that included: Talent Management, Blight Remediation, Capital Agenda, Debt Service, Pension Funding, Risks

of Achieving the Plan, City's performance against the Plan of Adjustment, and City revenue forecasting history. They addressed questions from the Commission.

## **V. New Business**

### **a. Presentation of the City Financial Report**

Mr. John Hill, CFO, and Tanya Stoudemire presented the City's monthly financial report and highlighted that the OCFO continues to document key financial policies and standard operating procedures. The OCFO plans to issue its Debt Issuance and Management policy and its Investments and Investment Management policy this week. He further stated that the OCFO has accomplished a significant turnaround of its accounts payable process over the past three years; noting that in August 2016, there were 4,000 backlogged invoices waiting to be processed and that amount has been reduced to 585; only 5 suppliers were using the online portal to submit invoices, and it's now up to 736; in January 2017, only 30% of suppliers were paid via ACH and that number has increased to 90%.

They also highlighted the following: FY 2018 is projected to end with an operating surplus of approximately \$36M; Revenue Projections reflect the February Revenue Estimating Conference results, which remain above budget; payroll and employee benefit expenditures are trending below budget and the General City active employee count increased in February; As of February the City's General property tax collection rate for the year was 80.6%, and total Accounts Payable as of February had a net decrease of \$2.9M compared to January. They addressed questions from the Commission.

### **b. Consideration of the City's April 2018 budget amendment per MCL141.1637(c) (FRC City Resolution 2018-8)**

Deputy CFO/Budget Director Tanya Stoudemire presented and sought approval for the City's April 3 non-grant related budget amendments.

Motion made to approve the City's April 2018 budget amendment requests (FRC City Resolution 2018-8). The Commission unanimously approved City Resolution 2018-8 as presented.

### **c. Consideration of the City's April 2018 contract approval requests per MCL 141.1636(6) (FRC City Resolution 2018-9)**

Public Act 181 of 2014 requires the Financial Review Commission to review and approve contracts meeting any of the three following 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 Procurement Officer Boysie Jackson gave an overview of the City's 12 contract approval requests and addressed questions from the Commission. All contracts have been reviewed by the FRC Advisory Subcommittee on Contracts and Procurement.

Council President Brenda Jones requested that contract No. 1 (Water and Sewerage) be deferred until City Council had a chance to review it. The Commission agreed to exclude contract No. 1 from this month's approval and will reconsider it at the Special FRC meeting scheduled for April 20, 2018.

Motion made to approve the City's April 2018 contract approval requests (City Resolution 2018-9) with the exception of contract No. 1. Motion moved and supported. The Commission approved City Resolution 2018-9 with amendment No. 1 excluded.

**VI. Public Comment - None**

**VII. Next Meeting Date**

City Special Meeting: Monday, April 30, 2018 at 1:00 p.m. at Cadillac Place, 3062 West Grand Boulevard, Suite L-150, Detroit, MI 48202.

**VIII. 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 1:45 p.m.

FRC Committee Monthly Meeting  
 City of Detroit  
 Resolution Roll Call  
 Monday, April 16, 2018

FRC 4/16/2018 Meeting (City of Detroit)	City Resolution 2018-8 (consideration of April 2018 budget amendments)  Roll Call	Amended City Resolution 2018-9 (April 2018 City Contract approval requests)  Roll Call
Mr. Burks	Yes	Yes
Mr. Duggan	Yes	Yes
Ms. Fox	Yes	Yes
Ms. Jones	Yes	Yes
Mr. Khouri	Yes	Yes
Mr. Martin	Yes	Yes
Mr. McKinnon	Yes	Yes
Mr. Nicholson	Yes	Yes
Mr. Walsh	Yes	Yes

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

Date: 4/16/2018