

DETROIT FINANCIAL REVIEW COMMISSION

SCHOOL DISTRICT REGULAR MEETING

Monday, May 21, 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: June 25, 2018

I. Call to Order

Chairman Nick Khouri called the meeting to order at 1:05 p.m.

II. Roll Call

Members Present – 6

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

Members Absent – 5

Mike Duggan (non-voting)
Stacy Fox
Brenda Jones (non-voting)
David Nicholson
John Walsh

Let the record show that 6 Commission members eligible to vote were present. 4 participated in person, and 2 participated via teleconference. A quorum was present.

III. Approval of Proposed Minutes from the April 16, 2018 School District Meeting

Motion made to approve the draft minutes of the Commission's April 16, 2018 School District Meeting as presented. Motion moved and supported, the Commission approved the minutes of the April 16, 2018 meeting as presented.

Approval of Proposed Minutes from the May 10, 2018 School District Special Meeting

Motion made to approve the draft minutes of the Commission's May 10, 2018 School District Special Meeting as presented. Motion moved and supported, the Commission approved the minutes of the May 10, 2018 special meeting as presented.

Old Business – None

IV. New Business

a. DPS Financial Report

Chief Financial Officer Jeremy Vidito presented the Financial Report for DPS and stated that based on actual results through March 2018, DPS recorded a deficit of revenues over expenditures of \$1.1M. For March year-to-date (YTD) outcome, DPS recorded a surplus of revenues over expenditures of \$1.7 million, which is \$1.1 million under the projected March YTD budget. He further stated that DPS's cash balance for the month of March is \$7.9 million and the projected year end cash balance is \$9.8 million. He addressed questions from the Commission.

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

Chief Financial Officer Jeremy Vidito presented the monthly financial report and highlighted that DPSCD recorded a surplus of revenues over expenditures of \$1.2 million in the month of March, 2018. He stated that the District's March YTD expenditure versus budget variance was \$63.1 million and March YTD surplus of revenues over expenditures was \$74.3 million. The District is behind plan by \$5.6 million on the March YTD in receipt of budgeted revenues, but this has been offset by the expenditure savings, and unspent contingency allocated in the budget.

Mr. Vidito also reported that DPSCD's cash balance for the month of March was \$128.3 million and the projected year end cash balance is estimated by the District to be \$105.4 million. (both cash balances exclude \$48.5 million allocated to Internal Service and a Fiduciary account). He addressed questions from the Commission.

c. Supplemental Reports

Chief Financial Officer Jeremy Vidito presented 3 supplemental reports, which outlined The Key Grant Draw; Corrective Action Plan update and the Compliance Calendar.

d. Transmittal of the Community District/DPS debt service requirement per MCL 141.1636(11)

To align with statute and to be more consistent with the language of the law, Mr. Vidito provided the debt service requirements for DPS and DPSCD for FY 2018, quarter three and quarter four and FY 2019, quarter one. Mr. Vidito provided a letter certifying that the amounts listed are accurate statements of DPS' debt service and that DPS is financially able to meet the debt service requirements through the end of the fiscal year. Mr. Vidito also provided a letter indicating that DPSCD has no debt service requirements.

e. Consideration of the Community District's May 2018 contract approval requests per MCL 141.1636 (6) (FRC School District Resolution 2018-12)

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 Financial Officer Jeremy Vidito, gave a brief overview of the Community District's 3 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 3 Community District's May 2018 contract approval requests (FRC School District Resolution 2018-12). Motion moved and supported. The Commission approve School District Resolution 2018-12 as presented.

f. Consideration of the Community District's May 2018 out-of-state travel reimbursement requests per MCL 141.1637(q) (FRC School District Resolution 2018-13)

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 March 2018 out-of-state travel.

Motion made to approve the 5 Community District's May 2018 out-of- state travel reimbursement requests (FRC School District Resolution 2018-13) as presented. Motion moved and supported. The Commission unanimously approved School District Resolution 2018-13 as presented.

V. Public Comment

Michelle George
Helen Moore
Mr. Peeples

VI. Next Meeting Date

School District Regular Meeting: June 25, 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 1:40 p.m.

Financial Review Commission
 Monthly Meeting
 School District
Resolution Roll Call Vote
 Monday, May 21, 2018

FRC 5/21/2018 Meeting	FRC SD Resolution 2018-12 (Consideration of May contracts approval requests) Roll Call	Amended FRC SD Resolution 2018-13 (consideration of SD May out-of-state reimbursement approval requests) Roll Call
Mr. Burks	Yes	Yes
Ms. Fox	Absent	Absent
Mr. Khouri	Yes	Yes
Mr. Martin	Yes	Yes
Mr. McKinnon	Yes	Yes
Mr. Nicholson	Absent	Absent
Ms. Taylor	Yes	Yes
Mr. Vitti	Yes	Yes
Mr. Walsh	Absent	Absent

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

Date: 5/21/2018