

DETROIT FINANCIAL REVIEW COMMISSION

CITY REGULAR MEETING

Monday, July 31, 2017 at 1:00 p.m.
Cadillac Place, Suite L-150
3062 West Grand Boulevard
Detroit, MI 48202

MINUTES

Approved: August 28, 2017

I. Call to Order

Chairman Nick A. Khouri called the meeting to order at 1:03 p.m.

II. Roll Call

Members Present -7

Darrell Burks (via teleconference)
Mike Duggan
Brenda Jones
Bill Martin (via teleconference)
Nick A. Khouri
David Nicholson
Al Pscholka (via teleconference)

Members Absent – 3

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

Let the record show that 7 Commission members eligible to vote were present, 4 participated in person and 3 participated via teleconference. A quorum was present.

Approval of Proposed Minutes from the June 26, 2017 City Meeting

Motion made to approve the draft minutes of the Commission's June 26, 2017 City Meeting as presented. Motion moved and supported, the Commission approved the minutes of the June 26, 2017 meeting as presented.

III. Executive Director's Report – None

IV. Old Business - None

V. New Business

a. Presentation of the City's Monthly Financial Report

Chief Financial Officer John Hill presented his monthly financial report and addressed questions from the Commission. He stated that the City Council approved the new ordinances and trust agreement for the Retiree Protection Fund and the City is preparing to transfer the initial \$90 million in previously appropriated funds to the trust fund. He also noted the following:

- The Office of the Chief Financial Officer (OCFO) distributed its FY 2017 year-end closing instructions to departments in June and has begun the initial planning activities for the FY 2017 audit.
- The OCFO has joined the Detroit Water and Sewerage Department's bill payment kiosk initiative. This initiative will allow taxpayers to pay their current and delinquent property taxes, water and sewer bills and DTE Energy bills at locations throughout the City.
- Current projections indicate FY 2017 ended with a budget surplus of approximately \$59.8M, which is subject to year-end audit adjustments that may reduce that amount. Revenue projections reflect the results of the OCFO's May revenue estimates update; payroll and employee benefit expenditures are trending below budget as a result of position vacancies and the General City active employee count increased in May but remains below budget.
- Accounts Payable for all funds as of May increased by \$5.7M, from \$23.0M to \$28.7M, compared to April. During May, the City made payments totaling \$77.8M. The invoices on hold include \$13.5M from the Great Lakes Water Authority (GLWA) and the invoices will remain on hold as a matter of MOU negotiations between DWSD and GLWA.

b. Presentation of the City's Pension Payments in Fiscal Year 2017.

Chief Deputy CFO/Finance Director John Naglick presented the FY 2017 Pension Payment memorandum as required by the FRC resolution 2016-05. He stated that the memorandum shows all payments broken down by source that were made to the pension trust funds during FY 2017. He noted that all payments required by the Plan of Adjustment have been made and the pension trust assets had an investment return of over 10% in FY 2017.

c. Presentation of the City's Corrective Action Plan as a Result of the 2016 CAFR Audit

Chief Deputy CFO/Finance Director John Naglick presented the City's FY 2016 corrective action plans following the result of the FY 2016 audit. He stated that the City had a total of 19 findings, a decrease from 33 findings in the previous year. Eight of the findings are City-related and 11 are grant-related. Mr. Naglick noted that the City's number of findings have continued to decrease since undergoing FRC oversight.

d. Consideration of the City's July 2017 budget amendment per CL141.1637(c) (FRC City Resolution 2017-16)

Deputy CFO/Budget Director Tanya Stoudemire gave a brief overview of the City's July budget amendment approval requests. She stated that there are 30 budget amendments. Twenty-one of the amendments are sourced through federal, state and local grants to support various health and information technology initiatives. She also non-grant amendments for funds the City will receive from the Gordie Howe Bridge project and an amendment to appropriate fees received from City vendors who did not hire enough Detroit residents on publicly-funded construction projects. She addressed questions from the Commission.

Motion made to approve the City's July 2017 budget amendment requests (FRC City Resolution 2017-16). Motion moved and supported. The Commission approved City Resolution 2017-16-as presented.

e. Consideration of the City's resolution to increase the aggregate amount, under certain conditions, for when multiple City contracts require FRC approval (FRC Resolution 2017-17)

Chief Procurement Officer Boysie Jackson presented the City's resolution 2017-17. He stated that the request is for the Commission to consider increasing the aggregate amount for multiple contracts within 1 entity requiring the Commission's approval subject to the conditions outlined in the resolution.

Motion made to approve the City's request to increase the aggregate amount, for multiple contracts within 1 entity requiring FRC's approval (City Resolution 2017-17) as presented. The Commission voted 5 in favor and 2 opposed. The Commission approved City Resolution 2017-17 as presented.

f. Consideration of the City's May 2017 contract approval requests per MCL 141.1636(6) (FRC City Resolution 2017-18)

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, subject to conditions outlined in FRC City Resolution 2017-17.

Chief Procurement Officer Boysie Jackson gave an overview of the City's 38 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 approve the City's July 2017 contract approval requests (City Resolution 2017-18) as presented. Motion moved and supported. The Commission approved City Resolution 2017- 18 as presented.

VI. Public Comment

John Lauve, Mike Shaner, Michelle George, Helen Moore, William Davis, David Sole, A.J. Walker, Ida Burhill, Tina, Gene Cunningham

VII. Next Meeting Date

City Regular Meeting: Monday, August 28, 2017 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 2:20 p.m.

FRC Committee Monthly Meeting
City of Detroit
Resolution Roll Call
Monday, July 31, 2017

FRC 07/31/2017 Meeting (City of Detroit)	City Resolution 2017-16 (July 2017 budget amendments) Roll Call	City Resolution 2017-17 (consideration of resolution to increase the aggregate amount under certain conditions for when multiple city contracts require FRC approval) Roll Call	City Resolution 2017-18 (July 2017 contract approval requests) Roll Call
Mr. Burks	Yes	Abstain	Yes
Mr. Duggan	Yes	Yes	Yes
Ms. Fox	Absent	Absent	Absent
Ms. Jones	Yes	Abstain	Yes
Mr. Khouri	Yes	Yes	Yes
Mr. Martin	Yes	Yes	Yes
Mr. Nicholson	Yes	Yes	Yes
Mr. Pscholka	Yes	Yes	Yes

Signed by: 
 Beverly C. Greaves- Secretary

Date: 7/31/2017