

DETROIT FINANCIAL REVIEW COMMISSION

SCHOOL DISTRICT REGULAR MEETING

Monday, November 19, 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: December 17, 2018

I. Call to Order

Chairman Nick Khouri called the meeting to order at 1:08 p.m.

II. Roll Call

Members Present – 8

Darrell Burks (via teleconference)
Nick Khouri
Bill Martin
Ike Mckinnon (via teleconference)
David Nicholson (via teleconference)
Iris Taylor
Nickolai Vitti
John Walsh (via teleconference)

Members Absent – 3

Stacy Fox
Brenda Jones (non-voting)
Mike Duggan (non-voting)

Let the record show that 8 Commission members eligible to vote were present. 4 participated in person, and 4 participated via teleconference. A quorum was present.

III. Approval of Proposed Minutes from the October 29, 2018 School District Meeting

Motion made to approve the draft minutes of the Commission's October 29, 2018 School District Meeting as presented. Motion moved and supported, the Commission approved the minutes of the October 29, 2018 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 DPS is primarily a wind-down entity whose purpose is the satisfaction of legacy debt obligations.

He further stated that property tax revenue collected and remitted by the City and county is solely dedicated to the repayment of the long-term capital bonds. Expenditures for September were \$0.983 million which consisted of the interest payment due for the State Emergency Loan. As of September 30, 2018, DPS' 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.

b. 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 September 2018, DPSCD have a surplus of \$36.3 million of revenues over expenditures, but the projected budget showed a \$31.9 million surplus, which is a \$4.4 million positive variance. The District is behind plan by \$13.2 million on the September 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 September 30, 2018, is \$140.0 million and the projected year-end cash balance for FY 2019 is \$231.0 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 \$17.1 million. He addressed questions from the Commission.

c. Consideration of the Community District's FY 19 Capital Projects budget amendment #1 requests per MCL 141.1636 (6) (FRC School District Resolution 2018-29)

Mr. Vidito presented the School District's Budget Amendment #1 for consideration. He stated that Budget Amendment #1 transfers \$3.1 million from the General Fund's surplus to the Capital Projects Fund. The transfer will fund the purchase of the Elkay hydration stations, installation of the stations and site improvements associated with the water hydration stations. He addressed questions from the Commission.

Motion made to approve the Community District's Resolution 2018-29 as presented. Motion moved and supported. The Commission approved School District Resolution 2018-29 as presented.

d. Consideration of the Community District's Letter of Agreement with Detroit Federation of Paraprofessionals (DFP) Local 2350, requests per MCL 141.1636 (9) (FRC School District Resolution 2018-30)

Jeremy Vidito gave a brief overview of the Detroit Federation of Paraprofessionals (DFP) and the School District's Letter of Agreement approval request, and addressed questions from the Commission.

Motion made to approve the Community District's Resolution 2018-30 as presented. Motion moved and supported. The Commission approved School District Resolution 2018-30 as presented.

e. Consideration of the Community District's Collective Bargaining Agreement with the Detroit Organization of School Administrators and Supervisors (OSAS) requests per MCL 141.1636 (9) (FRC School District Resolution 2018-31)

Mr. Vidito presented the Collective Bargaining Agreement the Detroit organization of School Administrators and Supervisors (OSAS) and stated that the District has been in extensive negotiations with OSAS, and the agreement goes beyond the traditional surface level contract issues of wages and benefits. He further stated that the articles were rewritten and made more concise to better align with the District's core values and strategic initiatives. He addressed questions from the Commission.

Motion made to approve the Community District's Resolution 2018-31 as presented. Motion moved and supported. The Commission approved School District Resolution 2018-31 as presented.

f. Consideration of the Community District's November 2018 contract approval requests per MCL 141.1636 (6) (FRC School District Resolution 2018-32)

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 5 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 5 Community District's November 2018 contract approval requests (FRC School District Resolution 2018-32). Motion moved and supported. The Commission approve School District Resolution 2018-32 as presented.

g. Transmittal of the Community District's/DPS debt service requirements per MCL 141.1636(11)

The debt service requirements report is statutorily required from the School District. Mr. Vidito stated that the Community District has no dept requirement to report at this time. He stated that DPS's is financially able to meet the debt service requirements through the end of the fiscal year, and provided a letter certifying that the amounts listed are accurate statements of DPS's debt service.

V. Public Comment

Gene Cunningham
Michelle George

VI. Next Meeting Date

School District Regular Meeting: December 17, 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 1:50 p.m.

**FRC Committee Monthly Meeting
School District
Resolution Roll Call
Monday, November 19, 2018**

FRC 11/19/2018 Meeting (DPSCD)	School District Resolution 2018-29 (Consideration of SD FY 19 Capital Projects budget amendment #1) Roll Call	School District Resolution 2018-30 (Consideration of SD Letter of agreement with Detroit Federation of Para-Pros (DFP)) Roll Call	School District Resolution 2018 -31 Consideration of SD Collective bargaining agreement with the Detroit Organization of School Administrators and Supervisors (OSAS)) Roll Call	School District Resolution 2018-32 (Consideration of SD November Contracts Request) Roll Call
Mr. Burks	Yes	Yes	Yes	Yes
Ms. Fox	Absent	Absent	Absent	Absent
Mr. Martin	Yes	Yes	Yes	Yes
Mr. Khouri	Yes	Yes	Yes	Yes
Mr. McKinnon	Yes	Yes	Yes	Yes
Mr. Nicolson	Yes	Yes	Yes	Yes
Ms. Taylor	Yes	Yes	Yes	Yes
Mr. Vitti	Yes	Yes	Yes	Yes
Mr. Walsh	Yes	Yes	Yes	Yes

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

Date: 11/19/2018