

# CITY OF DETROIT FINANCIAL ADVISORY BOARD

OCTOBER 8, 2012 - 2:00 P.M.  
MINUTES

## Members Present:

Robert Bowman  
Darrell Burks  
Ronald E. Goldsberry

Mary Beth Kuderik  
W. Howard Morris  
Eddie Munson

Sandy Pierce  
Glenda Price  
Kenneth Whipple

## Members Absent:

None

### **I. CALL TO ORDER**

Ms. Pierce called the meeting to order at 2:00 P.M. Eight Financial Advisory Board members were present, a quorum.

Roll Call – Darrell Burks, Ronald E. Goldsberry, Mary Beth Kuderik, Howard Morris, Eddie Munson, Sandy Pierce, Glenda Price, Kenneth Whipple. By motion made and supported, the Board unanimously voted 8-0 (via roll call vote) to approve today's agenda.

Ms. Pierce reminded members of the public wishing to address the board to complete public comments forms.

### **II. APPROVAL OF BOARD MEETING MINUTES**

By motion made and supported, the Board unanimously voted 8-0 (Via roll call vote) to approve the September 10, 2012, Board meeting minutes

Member Bowman arrived at 2:14PM

### **III. PRESENTATIONS**

#### **EXECUTIVE SUMMARY:**

Mr. Kriss Andrews, Program Management Director, City of Detroit, gave a brief executive summary on the document entitled "City of Detroit-Discussion Document" October 8, 2012. This summary was followed by individual detailed reporting of its content.

#### Questions:

FAB member Munson asked about the original estimated cost savings of 60 million dollars and the shortfall from the original estimate. He also asked if the fiscal year 2014 budget was on target.

FAB Chair Pierce asked if under the Consent Agreement FAB has the ability to pay Miller Canfield against anyone who objects. The City indicated that the inability to pay Miller Canfield has created an impediment.

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FAB member Burks asked that the procedure be explained in the hiring and selection process. Mr. Kriss Andrews replied that after selection process City Council approval was necessary.

FAB member Kuderik inquired about operational staffing; temporary, contracting and direct hire. K. Andrews & J. Martin answered explaining that the City does not have adequate resources; has insufficient people to manage; and must address Civil Service bumping rights.

FAB member Price asked what you do to move people out of positions without required skill sets and move in qualified people with skill sets. What do we do with those people you move.

J. Martin responded by saying we have figured that out with HR how to do that. Being creative has paid off.

FAB member Burks asked to see a list of all the employees working for city.

FAB member Bowman suggested that the number one issue we face is knowing how much cash we have and where it is. J. Martin responded agreeing to send that information to FAB Chair for distribution.

Mr. Andrews continued discussing contracting challenges and IT system and indicated to FAB if Oracle 12 is not implemented the City won't be able to take updates. Also reiterated by Chuck Dodd, that the City is mandated by Oracle to update Oracle Suites. This will take 8-12 months of implementation.

FAB member Burks requested recommendation from the City to see the pros and cons of out-sourcing verses up-grading.

FAB member Munson inquired if reviews of other city police departments have been studied.

## **Action Items:**

FAB Chair requested:

1. Confirm the 12 hour shift impact of the Police Department;
2. Provide information on best practice review looking at other large cities;
3. Will we be able to get the each of the initiatives in this year's budget or will it be carried over to a later date

The Fire Department representative stated that the department's contract is not up until 2013, there will not be a change at this point in time and confirmed that a need to have outside review with the process consisting of a selection process and then City Council approval. These are transformational initiatives without a cost estimate.

Jack Martin indicated when asked by FAB that the City is looking into an amnesty program for City income tax collection.

Jack Martin confirmed that the Revenue Conference is set for December 3-5, 2012.

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FAB member Burks inquired about the 100 million dollar impact for the fiscal 2013 budget and Mr. Andrews agreed to prepare a reconciliation summary.

## **ACTION:**

FAB Chair: It is confirmed that the Revenue Conference is set for December 3-5, 2012.

Presenter Carla Henderson indicated that the Michigan Central Station structure is adequately secure and that it was put on the national registry of restored places in 1975 and the likely hood of demolition is slim to none.

Ms. Henderson also stated 13 million HUD funds in PD&D was budgeted for demolition and was utilized and no funds were sent back.

FAB Chair inquired about the status of the 10 million allocated for demolition from the State. During this discussions it was determined that the impediments were identified and resolved and State official Kim Coleman stated that the best case scenario for starting and completing demolition is 6-8 weeks.

Ms. Henderson provided an executive summary of the Demolition department.

## **IV. BOARD ACTION AND/OR DISCUSSION ITEMS**

Ms. Pierce by Motion made the call to vote on the approval of the amendments to ANNEX B the FSA. By motion made and supported, the Board unanimously voted 8-0 (Via roll call vote) to approve the Amendments to ANNEX B the FSA.

Ms. Pierce by Motion made the call to vote on the approval of the Waiver of the Triennial Budget for the Fiscal year 2013. By motion made and supported, the Board unanimously voted 8-0 (via roll call vote) to approve the Waiver of the Triennial Budget for the Fiscal year 2013.

Prior to the vote member Bowman temporarily step out of the meeting and returned after vote was taken.

## **V. PUBLIC PARTICIPATION/COMMENTS**

There were 6 individuals requesting to address the Board:

Ruth E. Johnson

Patty Fedewa (was not present when called)

Ken Cheyne (was not present when called)

Valerie Glenn

Cathy Govan

Marguerito Maddox & Jella

## **VI. MOTION TO ADJOURN**

There being no further business, and by motion and second, Ms. Pierce adjourned the meeting at 5:25 P.M.

Date Approved: November 12, 2012