DETROIT FINANCIAL REVIEW COMMISSION

CITY REGULAR MEETING

Monday, July 25, 2016 at 2:30 p.m.
Cadillac Place, Suite L-150
3062 West Grand Boulevard
Detroit, MI 48202

MINUTES

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I. Call to Order

Chairman Nick A. Khouri called the meeting to order at 2:30 p.m.

II. Roll Call

Members Present – 8
Darrell Burks
Stacy Fox
Lorron James
Nick A. Khouri
Bill Martin
Alycia Meriweather (non-voting)
John Roberts
Tony Saunders

Members Absent – 2
Mike Duggan
Brenda Jones

Let the record show that 7 Commission members eligible to vote were present and participated in person. A quorum was present. One non-voting member was also present.

III. Approval of Proposed Minutes from the June 24, 2016 Special Meeting

Motion made to approve the draft minutes of the Commission's June 24, 2016 Special Meeting as presented. Motion moved and supported, the Commission approved the minutes of the June 24, 2016 meeting as presented.

IV. Approval of Proposed Minutes from the June 27, 2016 City Meeting

Motion made to approve the draft minutes of the Commission's June 27, 2016 City Meeting as presented. Motion moved and supported, the Commission approved the minutes of the June 27, 2016 meeting as presented.

V. Executive Director's Report

Executive Director Ron Rose reported that a resolution to approve the amended notice of regular meetings of the Financial Review Commission for 2016 will be brought to the Commission for consideration at today's meeting.

VI. Old Business - None

VII. New Business

a. Consideration of amended 2016 Regular Meeting Schedule (FRC City Resolution 2016-6)

Mr. Rose presented the resolution to change the regular meetings of the Detroit Financial Review Commission for the months of September, October, November and December to the dates included in the amended notice of regular meetings for calendar year 2016.

Motion made to approve the request to amend the dates of the Regular meetings (City Resolution 2016-6) as presented. Motion moved and supported. The Commission approved City Resolution 2016-6 as presented.

b. Presentation of the City's Monthly Financial Report

CFO John Hill presented his monthly financial report and addressed questions from the Commission. Highlights from his summary include:

- The City held its kick-off meeting with its pension consultants on July 7, 2016.
- The City is in its final stages of its procurement process to select an independent auditor for the FY16 audit
- No changes were made to the City's FY16 budget projection based on May year-to-date actuals. The City expects the final results from year-end closing to be on target with or better than the projection.
- The City has designed new monthly reports from its new financial system for FY17, which it will also use for reporting to the Commission

c. Presentation of the City's FY 2016 Pension Payments Report

Chief Deputy CFO/Finance Director John Naglick presented and discussed the City's FY 2016 Pension Payments Report, noting that it fulfills the Commission's request from last month's meeting. The report shows actual FY16 payments into the City's pension funds compared to the Plan of Adjustment projections' assumptions. Mr. Naglick explained the variances and highlighted that the Detroit Institute of Arts exercised its option to pre-pay its remaining 19-year annual commitment with a present value discount of 6.75%. He addressed questions and comments from the Commission.

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d. Consideration of the City's amended collective bargaining agreement with the Detroit Fire Fighters Association per MCL 141.1639(9) (FRC City Resolution 2016-7)

Mr. Hill and Executive Fire Commissioner Eric Jones presented the City's amended collective bargaining agreement with its firefighters. Mr. Jones presented the strategy and major changes in the amended agreement, including various work rule changes and a 4% pay raise for firefighters who are licensed medical first responders. Other firefighters will receive the pay raise once they become licensed as well. Mr. Hill presented the agreement's fiscal impact, indicating the Fire Department's current budget has sufficient resources to support the pay raises.

Motion made to approve the City's amended collective bargaining agreement request (City Resolution 2016-7) as presented. Motion moved and supported. The Commission approved City Resolution 2016-7 as presented.

e. Consideration of the City's July 2016 budget amendment requests per MCL141.1637(c) (FRC City Resolution 2016-8)

Deputy CFO/Budget Director Tanya Stoudemire presented the City's 5 budget amendment requests for FY16 and 1 budget amendment for FY 17. The 6 grant amendments reflect the additional revenue and spending from grants the City has received. Ms. Stoudemire addressed questions and comments from the Commission. The Commission decided to withhold approval of item No. 5 (grant from the Scarab Club), pending follow-up information to be provided by the City next month.

Motion made to approve the City's July 2016 budget amendment requests (City Resolution 2016-8, excluding amendment item No. 5). Motion moved and supported. The Commission approved City Resolution 2016-8 with item No. 5 excluded.

f. Consideration of the City's July 2016 contract approval requests per MCL 141.1636(6) (FRC City Resolution 2016-9)

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 15 contract approval requests and addressed questions from the Commission. All contracts have been reviewed with the FRC Advisory Subcommittee on Contracts and Procurement.

Motion made to approve the City's 15 July 2016 contract approval requests (City Resolution 2016-9) as presented. Motion moved and supported. The Commission approved City Resolution 2016-9 as presented.

VIII. Public Comment

John Lauve
Ishmail Terry

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IX. Next Meeting Date

City Regular Meeting: Monday, August 29, 2016 at 2:30 p.m. at Cadillac Place, 3062 West Grand Boulevard, Suite L-150, Detroit, MI 48202

X. 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 3:25 p.m.

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