

DETROIT FINANCIAL REVIEW COMMISSION
SCHOOL DISTRICT REGULAR MEETING

Monday, July 25, 2016
Following the City Regular Meeting
(Begins no earlier than 3:30 p.m.)
Cadillac Place, Suite L-150
3062 West Grand Boulevard
Detroit, MI 48202

MINUTES

I. Call to Order

Chairman Nick A. Khouri called the meeting to order at 3:32 p.m.

II. Roll Call

Members Present – 8

Darrell Burks
Stacy Fox
Lorron James
Nick A. Khouri
Bill Martin
Alycia Meriweather
John Roberts
Tony Saunders

Members Absent – 2

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

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

III. Approval of Proposed Minutes from the June 27, 2016 School District Meeting

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

IV. Executive Director's Report

Executive Director Ron Rose noted that per the FRC statute, Interim Superintendent Alycia Meriweather is not eligible to vote on the resolution to approve the Detroit Public School Community District (DPSCD) Chief Financial Officer nominee (School District Resolution 2016-4). He also reported that today's agenda includes the same amended 2016 meeting schedule approved during the preceding City Meeting. It also includes 7 collective bargaining agreement extension agreements covering all DPSCD unions except for one whose current contract does not

expire until December 31. He stated that Ms. Meriweather will discuss the process used for reimbursement of the Community District's out-of-state travel during that part of today's agenda, and the Detroit Federation of Teachers will make a brief presentation to the Commission.

V. Old Business - None

VI. New Business

a. Consideration of Amended 2016 Regular Meeting Schedule (FRC School District Resolution 2016-3)

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 moved to approve the request to amend the dates of the Regular meetings (School District Resolution 2016-3) as presented. Motion moved and supported. The Commission approved School District Resolution 2016-3.

b. Consideration of the Community District's Chief Financial Officer Nominee per MCL 141.1637(h) (FRC School District Resolution 2016-4)

Mr. Rose presented the resolution to approve Marios Demetriou for appointment as the Detroit Public Schools Community District's Chief Financial Officer. Per the FRC statute, Ms. Meriweather is unable to participate in the vote.

Motion moved to approve the request to appoint Marios Demetriou as the Detroit Public Schools Community District's Chief Financial Officer (School District Resolution 2016-4) as presented. Motion moved and supported. The Commission approved School District Resolution 2016-4.

c. Community District's Monthly Report

Mr. Demetriou presented an update on the transition from DPS to DPSCD and addressed questions from the Commission. He reported that DPS was successful in closing on the \$150 million emergency loan from the State of Michigan and transferred \$25 million of it to the new school district as planned. The Commission members and Mr. Demetriou discussed future monthly financial reporting and the budget amendment process.

d. Consideration of the Community District's July 2016 bargaining agreement extensions per MCL 141.1636(9) (FRC School District Resolution 2016-5)

Judge Steven Rhodes, Transition Manager of the Detroit Public Schools Community District, presented the Community District's 7 collective bargaining agreement extensions for Commission approval. He stated that the extensions will not be binding on the newly elected school board.

Motion moved to approve the Community District's 7 collective bargaining agreement extensions (Resolution 2016-5) as presented. Motion moved and supported. The Commission approved School District Resolution 2016-5.

e. **Consideration of the Community District's July 2016 contract approval requests per MCL 141.1636(6) (FRC School District Resolution 2016-6)**

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.

Mr. Demetriou gave an overview of the Community District's 2 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 Community District's 2 July 2016 contract approval requests (FRC School District Resolution 2016-6) as presented. Motion moved and supported. The Commission approved School District Resolution 2016-6.

f. **Reconsideration of the Community District's June 2016 out-of-state travel reimbursement requests per MCL 141.1637(q) (FRC School District Resolution 2016-7)**

g. **Consideration of the Community District's July 2016 out-of-state travel reimbursement requests per MCL 141.1637(q) (FRC School District Resolution 2016-8)**

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.

Ms. Meriweather gave a detailed presentation of how the Community District tracks, processes, and reviews out-of-state travel requests. She also explained the additional review processes for grant-funded travel. She reported the Community District has been working on a revised travel policy and procedures to both meet the FRC review requirement and improve the Community District's internal processes. She addressed questions from the Commission. All reimbursement requests have been reviewed with the FRC Advisory Subcommittee on Contracts and Procurement.

Motion made to reconsider and approve the Community District's June 2016 out-of-state travel reimbursement requests (FRC School District Resolution 2016-7) as presented. Motion moved and supported. The Commission approved School District Resolution 2016-7.

Motion made to approve the Community District's July 2016 out-of-state travel reimbursement requests (FRC School District Resolution 2016-8) as presented. Motion moved and supported. The Commission approved School District Resolution 2016-8.

h. **Presentation by the Detroit Federation of Teachers (DFT)**

Interim DFT President Ivy Bailey made a presentation to the Commission on teachers' compensation, recruitment, retention, district spending, and proposals for operational improvements.

VII. Public Comment

Nicole Conaway

VIII. Next Meeting Date

School District Regular Meeting: Monday, August 29, 2016 following the City Meeting, beginning no earlier than 3:30 p.m. at Cadillac Place, 3062 West Grand Boulevard, Suite L-150, Detroit, MI 48202

IX. 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 4:20 p.m.

DRAFT