

# **DETROIT FINANCIAL REVIEW COMMISSION**

## **SCHOOL DISTRICT REGULAR MEETING**

Monday, October 30, 2017  
Following the City Regular Meeting  
(Begins no earlier than 2:00 p.m.)  
Cadillac Place, Suite L-150  
3062 West Grand Boulevard  
Detroit, MI 48202

### **MINUTES**

**Approved: Monday, November 20, 2017**

#### **I. Call to Order**

Chairman Nick Khouri called the meeting to order at 2:06 p.m.

#### **II. Roll Call**

##### Members Present – 6

Darrell Burks (via teleconference)  
Stacy Fox  
Ike McKinnon (via teleconference)  
David Nicholson  
Al Pscholka  
Nicholai Vitti

##### Members Absent – 4

Mike Duggan (non-voting)  
Brenda Jones (non-voting)  
Bill Martin  
Iris Taylor

Let the record show that 6 Commission members eligible to vote were present. 4 participated in person, and 2 participated via teleconference. A quorum was present.

#### **III. Approval of Proposed Minutes from the August 28, 2017 School District Meeting**

Motion made to approve the draft minutes of the Commission's September 25, 2017 School District Meeting as presented. Motion moved and supported, the Commission approved the minutes of the September 25, 2017 meeting as presented.

#### **IV. Executive Director's Report** – Executive Director, Romaneir Johnson stated that the strategic planning meeting which was scheduled for today (October 30, 2017) with the FRC and representatives from the School District will be rescheduled for a later date.

#### **V. Old Business – None**

#### **VI. New Business**

##### **a. DPS Financial Report**

Arthur Jackson of the School District informed the members that the DPS general fund receives revenue from two main sources: Local and State sources, and DPS general fund is budgeted to have 3 categories of expenditures: operating expenditures, Debt Service, and Transfers. He further stated that DPS collects property taxes related to the 13 mills, which are dedicated to service legacy Capital Debt. Any shortfall in these collections is backstopped by additional borrowings from the State of Michigan School Loan Revolving Fund. Therefore, any activity related to the Capital Debt does not impact the General fund, and is reported separately.

**b. Presentation of the Community District's Monthly Financial Report**

Senior Executive Director of Finance Jeremy Vidito and Arthur Jackson presented the monthly financial report and highlighted that DPSCD recorded a surplus of revenues over expenditures of \$22.4M in August 2017, compared to a budgeted surplus of \$13.4M, which was primarily driven by \$2.4M in title funding that was not budgeted for and an additional \$5.4M in operations and maintenance and transportation expense to be expensed at a later date. They further noted that actual expenses were below budget by \$6.6M which is primarily due to lower expenditures, relative to the remainder of the year, resulting from school being out of session during the summer, and YTD net cash flow through August 2017 was (\$4.2M), putting the ending cash balance at \$76.8M. He addressed questions from the Commission.

**c. Enrollment Count by School**

Senior Executive Director of Finance Jeremy Vidito informed the meeting that the district had a FY 17 adopted budget enrollment projection of 47,950 and through count day an actual enrollment figure of 50,176, which is an increase of 2,226 students.

**d. Consideration of the Community District's October 2017 budget amendment 1 requests per MCL 141.1637 (c) (FRC School District Resolution 2017-22)**

Senior Executive Director of Finance Jeremy Vidito and Arthur Jackson presented the School District's Budget Amendment No 1 for consideration. The amendments include various revenue and corresponding expenditure increases, as well as realigning various costs between functions. They addressed questions from the Commission.

Motion made to approve the Community District's October budget amendment (FRC Resolution 2017-22) as presented. Motion moved and supported. The Commission approved School District Resolution 2017-22 as presented.

**e. Consideration of the Community District's September 2017 contract approval requests per MCL 141.1636 (6) (FRC School District Resolution 2017-23)**

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.

Senior Executive Director of Finance Jeremy Vidito, gave a brief overview of the Community District's 3 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 Community District's 3 October 2017 contract approval requests (FRC School District Resolution 2017-23). Motion moved and supported. The Commission approve School District Resolution 2017-23 as presented.

**VII. Public Comment**

Michelle George  
Helen Moore  
William Davis  
John Lauve

**VIII. Next Meeting Date**

School District Regular Meeting: November 20, 2017, following the City Meeting, beginning no earlier than 2:00 p.m. at Cadillac Place, 3062 West Grand Boulevard, Suite L-150, Detroit, MI 48202.

- IX. Chairman Nick Khouri notified the public that the Commission will now go into closed session, at the request of the Detroit Public Schools Community District (DPSCD), to discuss the School District's strategy in certain potential negotiations with various unions, together with the financial impact that would follow such negotiations. He noted that it is the last order of business except for the motion to adjourn, which will be done when the Commission returns to open session.

Motion made to go into closed session. Motion moved and supported, the Commission approved the motion to go into closed session.

Motion made to come out of closed session. Motion moved and supported, the Commission approved the motion to come out of closed session. The Commission did not make any decisions in the closed session.

**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 3:10 p.m.

Financial Review Commission  
 Monthly Meeting  
 School District  
 Resolution Roll Call Vote  
 Monday, October 30, 2017

FRC 10/30/2017 Meeting	FRC SD Resolution 2017-22 (Consideration of 2017 Budget Amendment 1 approval requests)  Roll Call	FRC SD Resolution 2017-23 (consideration of 2017 SD Contracts approval requests)  Roll Call
Mr. Burks	Yes	Yes
Ms. Fox	Yes	Yes
Mr. Khouri	Yes	Yes
Mr. Martin	Absent	Absent
Mr. McKinnon	Yes	Yes
Mr. Nicholson	Yes	Yes
Mr. Pscholka	Yes	Yes
Ms. Taylor	Absent	Absent
Mr. Vitti	Yes	Yes

Signed by: *B. Greaves*  
 Beverly C. Greaves, Secretary

Date: Oct. 30, 2017