

# **DETROIT FINANCIAL REVIEW COMMISSION**

## **SCHOOL DISTRICT REGULAR MEETING**

Monday, November 20, 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: December 18, 2017**

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

Chairman Nick Khouri called the meeting to order at 2:00 p.m.

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

##### Members Present – 5

Darrell Burks (via teleconference)  
Bill Martin  
Nick Khouri  
Al Pscholka (via teleconference)  
Nicholai Vitti

##### Members Absent – 4

Mike Duggan (non-voting)  
Stacy Fox  
Brenda Jones (non-voting)  
Ike McKinnon  
David Nicholson  
Iris Taylor

Let the record show that 5 Commission members eligible to vote were present. 3 participated in person, and 2 participated via teleconference. A quorum was present.

#### **III. Approval of Proposed Minutes from the October 30, 2017 School District Meeting**

Motion made to approve the draft minutes of the Commission's October 30, 2017 School District Meeting as presented. Motion moved and supported, the Commission approved the minutes of the October 30, 2017 meeting as presented.

#### **IV. Executive Director's Report – None**

#### **V. Old Business – None**

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

- a. **Consideration of 2018 Regular Meeting Schedule (FRC School District Resolution 2017-24)**

Motion made to approve the FRC's 2018 Regular Meeting schedule (FRC School District Resolution 2017-24) as presented. Motion moved and supported. The Commission approved School District's Resolution 2017-24 as presented.

**b. DPS Financial Report**

Chief Financial Officer Jeremy Vidito presented the Financial Report for DPS and stated that based on actual results through September 2017, DPS recorded a surplus of revenues over expenditures of \$9.9M and for the month of September, DPS received \$23.9M from 18 mills, which was used to pay debt service of \$15.8M. He further stated that the variance in state sources is due to renaissance zone, property tax abatements, which are recorded on a straight line basis for budgetary purposes, but not yet received on a cash basis; the variance of \$0.9M in debt service for September is attributable to payment in-kind interest related to MPSERS.

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

Chief Financial Officer Jeremy Vidito presented the monthly financial report and highlighted that DPSCD recorded a surplus of revenues over expenditures of \$12.5M in September 2017, compared to a budgeted surplus of (\$1.3M), a \$13.8M variance. Budget revenue were behind plan by \$2.6M due to lower than expected spend on federal sources, offset by higher revenues from state sources. He further noted that actual expenses were below budget by \$16.4M which is largely due to budgeted unfilled vacancies; purchased services trailed budget by \$8.9M due to lower than expected accounts payable. He informed the meeting that the School District has adopted a more rigorous contract review process which is ensuring all expenses are budgeted and aligned to the Strategic Plan. YTD net cash flow through September 2017 was (\$12.5M), putting the ending cash balance at \$64.4M. He addressed questions from the Commission.

**d. Supplemental Reports**

Chief Financial Officer Jeremy Vidito presented 3 supplemental reports which included Internal Service Fund; FTE Positions and Interdistrict Transfer Detail.

**e. Transmittal of the Community District's debt service requirements certification per MCL 141.1636 (11)**

Chief Financial Officer Jeremy Vidito Senior Executive Director of Finance Jeremy Vidito stated that the Debt Service Requirements Report is a statutorily required report from the School Districts. He further stated that while the Detroit Public Schools Community District (DPSCD) has no debt requirement to report at this time, Detroit Public Schools (DPS) has 2.1billion debt certification, a total of \$170.7M of debt service payments are due in FY 2018 and \$15.8M has been paid to-date.

**f. Consideration of the Community District's chief financial officer nominee per MCL 141.1637(h) (FRC School District Resolution 2017-25)**

Dr. Vitti, Detroit Public Schools Community District's (DPSCD) Superintendent presented the resolution to approve Mr. Jeremy Vidito for appointment as the Detroit Public Schools Community District's Chief Financial Officer.

Motion moved to approve the request to appoint Jeremy Vidito as the Detroit Public Schools Community District's Chief Financial Officer (School District Resolution 2017-25) as presented. Motion moved and supported. The Commission approved School District Resolution 2017-25.

**g. Consideration of the Community District's Seven collective bargaining agreements per MCL 141.1636(9) (FRC School District Resolution 2017-26)**

Chief Financial Officer, Jeremy Vidito presented the Community District's bargaining agreements with the seven unions outlined in the resolution. He noted that there is no fiscal impact, indicating that there is sufficient revenue to cover the additional expenses that will be incurred because of the terms of the collective bargaining agreements.

Motion made to approve the Community District's bargaining agreements with the various unions (as outlined in the resolution) as presented. Motion moved and supported. The Commission approved school District Resolution 2017-26 as presented.

**h. Consideration of the Community District's November 2017 contract approval requests per MCL 141.1636 (6) (FRC School District Resolution 2017-27)**

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 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 Community District's 5 November 2017 contract approval requests (FRC School District Resolution 2017-27). Motion moved and supported. The Commission approve School District Resolution 2017-27 as presented.

**VII. Public Comment**

Helen Moore  
John Lauve

**VIII. Next Meeting Date**

School District Regular Meeting: December 18, 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. 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 3:09 p.m.

**Financial Review Commission  
 Monthly Meeting  
 School District  
 Resolution Roll Call Vote  
 Monday, November 20, 2017**

FRC 11/20/2017 Meeting	FRC SD Resolution 2017-24 (Consideration of 2018 Regular Meeting Schedule approval requests) Roll Call	FRC SD Resolution 2017-25 (consideration of SD chief financial officer approval requests) Roll Call	FRC SD Resolution 2017-26 (consideration of the Community District's collective bargaining agreements approval requests) Roll Call	FRC SD Resolution 2017-27 (consideration of November 2017 SD Contracts approval requests) Roll Call
Mr. Burks	Yes	Yes	Yes	Yes
Ms. Fox	Absent	Absent	Absent	Absent
Mr. Khouri	Yes	Yes	Yes	Yes
Mr. Martin	Yes	Yes	Yes	Yes
Mr. McKinnon	Absent	Absent	Absent	Absent
Mr. Nicholson	Absent	Absent	Absent	Absent
Mr. Pscholka	Yes	Yes	Yes	Yes
Ms. Taylor	Absent	Absent	Absent	Absent
Mr. Vitti	Yes	Yes	Yes	Yes

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

Date: 11/20/2017