

DETROIT FINANCIAL REVIEW COMMISSION

SCHOOL DISTRICT REGULAR MEETING

Monday, February 26, 2018
Following the City Regular Meeting
(Begins no earlier than 1:30 p.m.)
Cadillac Place, Suite L-150
3062 West Grand Boulevard
Detroit, MI 48202

MINUTES

Approved: March 26, 2018

I. Call to Order

Chairman Nick Khouri called the meeting to order at 1:35 p.m.

II. Roll Call

Members Present – 8

Darrell Burks (via teleconference)
Stacy Fox
Bill Martin
Nick Khouri
David Nicholson
Iris Taylor
Nicholai Vitti
John Walsh

Members Absent – 3

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

Let the record show that 8 Commission members eligible to vote were present. 7 participated in person, and 1 participated via teleconference. A quorum was present.

III. Approval of Proposed Minutes from the January 29, 2018 School District Meeting

Motion made to approve the draft minutes of the Commission's January 29, 2018 School District Meeting as presented. Motion moved and supported, the Commission approved the minutes of the January 29, 2018 meeting as presented.

IV. Old Business – None

V. New Business

a. DPS Financial Report

Chief Financial Officer Jeremy Vidito presented the Financial Report for DPS and stated that based on actual results through December 2017, DPS recorded a surplus of revenues over expenditures of \$2.4M and received \$1.3M in local property tax revenue, dedicated to legacy debt service. He further stated that local sources budget to actuals variance is due to slower budgeted collection rate of property taxes in the first half of the year. DPS's cash balance for the month of December is \$18.3 million and the projected year end cash balance is \$2.8 million.

b. 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 \$11.5M in the month of December, 2017 compared to a budget deficit of \$10.7M, a \$22.3 million variance. He stated that based on actual results through December, the Detroit Public School's District (DPSCD) is \$41.9M ahead of budget. However, it is believed that much of this variance is due to timing and will reverse before the end of the fiscal year. Mr. Vidito also reported that DPSCD's net cash balance for December 2017 was \$25.5M, putting the ending cash balance at \$63.8M (\$137.7M including the internal service fund and fiduciary account). He addressed questions from the Commission.

c. Supplemental Reports

Chief Financial Officer Jeremy Vidito presented 1 supplemental report which outlined the 3% Healthcare Refund and DSCD's February 2018 compliance report.

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

Jeremy Vidito stated that the Debt Service Requirements Report is a statutorily required report from the School District. He reported that the Community District has no debt requirement to report at this time, however DPS is financially able to meet the debt service requirements through the end of the fiscal year.

e. Consideration of the Community District's February 2018 contract approval requests per MCL 141.1636 (6) (FRC School District Resolution 2018-3)

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 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 February 2018 contract approval requests (FRC School District Resolution 2018-3). Motion moved and supported. The Commission approve School District Resolution 2018-3 as presented.

f. Consideration of the Community District's February 2018 out-of-state travel reimbursement requests per MCL 141.1637(q) (FRC School District Resolution 2018-4)

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. Mr. Vidito presented request for the Community District's February 2018 out-of-state travel.

Motion made to approve the Community District's February 2018 out-of- state travel reimbursement requests (FRC School District Resolution 2018-4) as presented. Motion moved and supported. The Commission unanimously approved School District Resolution 2018-4 as presented.

VI. Public Comment

John Lauve
Michelle George

VII. Next Meeting Date

School District Regular Meeting: March 26, 2018, following the City Meeting, beginning no earlier than 1:30 p.m. at Cadillac Place, 3062 West Grand Boulevard, Suite L-150, Detroit, MI 48202.

VIII. 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 2:05 p.m.

Financial Review Commission
 Monthly Meeting
 School District
 Resolution Roll Call Vote
 Monday, February 26, 2018

FRC 2/26/2018 Meeting	FRC SD Resolution 2018-3 (Consideration of February contracts approval requests) Roll Call	FRC SD Resolution 2018-4 (consideration of SD February out-of-state reimbursement approval requests) Roll Call
Mr. Burks	Yes	Yes
Ms. Fox	Yes	Yes
Mr. Khouri	Yes	Yes
Mr. Martin	Yes	Yes
Mr. McKinnon	Absent	Absent
Mr. Nicholson	Yes	Yes
Ms. Taylor	Yes	Yes
Mr. Vitti	Yes	Yes
Mr. Walsh	Yes	Yes

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

Date: Feb 20, 2018