

DETROIT FINANCIAL REVIEW COMMISSION

SCHOOL DISTRICT REGULAR MEETING

Monday, February 27, 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 March 27, 2017

I. Call to Order

Chairman Nick A. Khouri called the meeting to order at 2:10 p.m.

II. Roll Call

Members Present – 7

Darrell Burks
Nick A. Khouri
Bill Martin
Alycia Meriweather
Al Pscholka
Tony Saunders
Iris Taylor

Members Absent – 3

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

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

III. Approval of Proposed Minutes from the January 30, 2017 School District Meeting

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

IV. Executive Director's Report

Executive Director Romaneir Johnson reported that FRC is working with the leadership of School District regarding next steps in creating a strategic plan for the district, and how the FRC can assist them in the process.

Old Business – None

V. New Business

a. Presentation of the Community District's Monthly Financial Report

Deputy Superintendent/CFO Marios Demetriou presented his monthly financial report and highlighted that through December 2016, the district recorded a deficit of revenues over expenditures of \$6M, which was due to the payment of one-time bonuses; he further stated that the district recorded a surplus of revenues over expenditures of \$95M through December 2016, primarily due to the higher revenue resulting from one-time transfers related to the new district legislation along with one time asset sales and lower expenditures due to unfilled vacancies. December revenues totaling \$55M were lower than budgeted revenues of \$61M, the difference is due to the \$6M sale of the WRCJ-FM radio station that was settled in December 2016. December expenses of \$61M were lower than budget by \$4M, due to unfilled vacancies and the contingency built into the budget. YTD net cash flow through December was \$44M and the net cash flow was lower than the revenue surplus, due to timing differences between cash and accruals. He addressed questions from the Commission.

b. Transmittal of School District's debt service requirements per MCL 141.1636(11)

Deputy Superintendent/CFO Marios Demetriou stated that the Debt Service Requirements Report is a statutorily required report from the School District. He further stated that the Community District has no debt requirement to report at this time, however, DPS has a \$2.2 billion debt certification that is expected to be paid over the next 10 years.

c. Consideration of the Community District's February 2017 contract approval requests per MCL 141.1636(6) (FRC School District Resolution 2017-1)

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 contract approval request. He stated that the total contract renewal amount is \$1.7M, of which \$200,000 was approved at the FRC's January 30, 2017 meeting. The request for approval is for the remaining amount of the entire contract (\$1.5M)

Motion made to reconsider and approve the Community District's January 2017 contract approval requests (FRC School District Resolution 2017-3). Motion moved and supported. The Commission approved School District Resolution 2017-3.

Consideration of the Community District's February 2017 out-of-state travel reimbursement requests per MCL 141.1637(q) (FRC School District Resolution 2017-4)

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. Demetriou presented twenty two February 2017 requests for the Community District.

Motion made to approve the Community District's February 2017 out-of- state travel reimbursement requests (FRC School District Resolution 2017-4) as presented. Motion moved and supported. The Commission approved School District Resolution 2017-4 as presented.

VI. Public Comment

John Lauve
William Davis
Thelma Moore
Michelle George

VII. Next Meeting Date

School District Regular Meeting: March 27, 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.

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 2:50 p.m.

Financial Review Commission
Monthly Meeting
School District
Resolution Roll Call Vote
Monday, February 27, 2017

FRC 2/27/2017 Meeting	FRC SD Resolution 2017-3 (Consideration of SD February 2017 contracts approval requests) Roll Call	FRC SD Resolution 2017-4 (Consideration of SD February 2017 out-of-state travel reimbursement) Roll Call
Mr. Burks	Yes	Yes
Ms. Fox	Absent	Absent
Mr. Khouri	Yes	Yes
Mr. Martin	Yes	Yes
Ms. Meriweather	Yes	Yes
Mr. Pscholka	Yes	Yes
Mr. Saunders	Abstain	Yes
Ms. Taylor	Yes	

Signed by: Beverly Greaves
 Beverly C. Greaves, Secretary

Date: 2-27-2017