

DETROIT FINANCIAL REVIEW COMMISSION

CITY REGULAR MEETING

Monday, March 26, 2018 at 1:00 p.m.
Cadillac Place, Suite L-150
3062 West Grand Boulevard
Detroit, MI 48202

MINUTES

Approved: April 16, 2018

I. Call to Order

Chairman Nick Khouri called the meeting to order at 1:03 p.m.

II. Roll Call

Members Present –9

Darrell Burks (via teleconference)

Mike Duggan

Stacy Fox

Brenda Jones

Nick Khouri

Bill Martin (via teleconference)

Dr. Ike McKinnon

David Nicholson (via teleconference)

John Walsh

Members Absent – 2

Dr. Iris Taylor (non-voting)

Dr. Nicholai Vitti (non-voting)

Let the record show that Commission 9 members eligible to vote were present, 6 participated in person and 3 participated via teleconference. A quorum was present.

Approval of Proposed Minutes from the February 26, 2018 City Meeting

Motion made to approve the draft minutes of the Commission's February 26, 2018 City Meeting as presented. Motion moved and supported, the Commission approved the minutes of the February 26, 2018 meeting as presented.

III. Executive Director's Report

Kevin Kubacki addressed the Commission and reported the following:

- 1) The City must implement a program in which all contracts awarded are posted on the City's website within 30 days of the contract award and must include the parties to the contract, the dollar amount of the contract and a brief description of the goods or services.

On March 8th, the contracts subcommittee met with the City to review the City's process for posting contracts to the City's website. As part of this presentation:

- FRC staff were able to confirm contracts including other contracts not approved by the Financial Review Commission are being posted online.
 - The City has this process documented
 - The City also has an internal audit process to ensure the integrity of the online posting.
 - Contracts designed for one-time purchases will remain on the website for a minimum of one year before being purged from the website.
- 2) On March 23, 2018, the FRC received the City's four year financial plan which has been approved by City Council. The FRC staff started its review of the budget and will present the report to the full Commission at the April meeting. Afterwards, the Commission will vote on the City's budget and four year plan.
 - 3) In April, after many discussions and years of work, the FRC anticipates receiving the final required certifications that will complete the City's criteria for the Financial Review Commission to consider waiving its oversight power. Once the certifications are presented, the Financial Review Commission, as required by the statute, will be required to vote on a waiver from oversight.

IV. Old Business - None

V. New Business

a. Presentation of the City Financial Report

Mr. John Hill, CFO, presented the City's monthly financial report and highlighted that The City is redeeming the outstanding principal on its Financial Recovery Bonds, Series 2014C, which will save \$11.7 million in interest expense. He further stated that FY 2018 is projected to end with an operating surplus of approximately \$33M; revenue projections reflect the February 2018 Revenue Estimating Conference results, which remain above budget; payroll and employee benefit expenditures are trending below budget and the General City active employee count decreased in January and remains below budget; the January YTD General City property tax collection rate was 70.6% which was significantly below last year's results. Mr. Hill noted the low collection rate was due to timing issues and highlighted current property tax collections for February were 80.8% which exceeds last year's collection percentage. Total Accounts Payable as of January had a net decrease of \$4.4M compared to December. He addressed questions from the Commission.

b. Consideration of the City's March 2018 budget amendment per MCL141.1637(c) (FRC City Resolution 2018-6)

Deputy CFO/Budget Director Tanya Stoudemire presented and sought approval for the City's March 3 non-grant budget amendments.

Motion made to approve the City's March 2018 budget amendment requests (FRC City Resolution 2018-6). The Commission unanimously approved City Resolution 2018-6 as presented.

c. Presentation of the City's FY 2019-FY 2022 Four-Year Financial Plan

CFO John Hill and Budget Director Tanya Stoudemire noted that following the City Council's review and decisions on the Mayor's recommended budget, the City submitted its FY 2019-2022 Four-Year Financial Plan to the FRC on March 23, 2018. They gave a brief overview of the Four-Year Financial Plan, noting that the plan reflects conservative revenues approved by the Revenue Estimating Conference Participants at the February conference; FY19 total budget is \$2,081M which include \$1,074M from the general fund; the FY19 total city budget includes 10,014 positions and \$100M of unassigned fund balance to fund capital projects, blight reduction and other one-time projects, a 100% increase from the prior year. They addressed questions from the Commission.

d. Consideration of the City's March 2018 contract approval requests per MCL 141.1636(6) (FRC City Resolution 2018-7)

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 Procurement Officer Boysie Jackson gave an overview of the City's 15 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 approve the City's March 2018 contract approval requests (City Resolution 2018-7) as presented. Motion moved and supported. The Commission approved City Resolution 2018-7 as presented.

VI. Public Comment

John Lauve
Mr. Peeples
Mr. McNair

VII. Next Meeting Date

City Regular Meeting: Monday, April 16, 2018 at 1:00 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 1: 35p.m.

FRC Committee Monthly Meeting
 City of Detroit
 Resolution Roll Call
 Monday, March 26, 2018

FRC 3/26/2018 Meeting (City of Detroit)	City Resolution 2018-6 (consideration of March 2018 budget amendments) Roll Call	City Resolution 2018-7 (March 2018 City Contract approval requests) Roll Call
Mr. Burks	Yes	Yes
Mr. Duggan	Yes	Yes
Ms. Fox	Yes	Yes
Ms. Jones	Yes	Yes
Mr. Khouri	Yes	Yes
Mr. Martin	Yes	Yes
Mr. McKinnon	Yes	Yes
Mr. Nicholson	Yes	Yes
Mr. Walsh	Yes	Yes

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

Date: *3/26/2018*