

DETROIT FINANCIAL REVIEW COMMISSION

SCHOOL DISTRICT REGULAR MEETING

Monday, March 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 – April 17, 2017

I. Call to Order

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

II. Roll Call

Members Present – 8

Darrell Burks (via teleconference)

Stacy Fox

Brenda Jones (non-voting)

Nick A. Khouri

Bill Martin (via teleconference)

Alycia Meriweather

Al Pscholka

Tony Saunders

Iris Taylor

Members Absent – 1

Mike Duggan (non-voting)

Let the record show that 8 Commission members eligible to vote were present 6 participated in person and 2 participated via teleconference. A quorum was present.

III. Approval of Proposed Minutes from the February 27, 2017 School District Meeting

Motion made to approve the draft minutes of the Commission's February 27, 2017 School District Meeting as presented. Motion moved and supported, the Commission approved the minutes of the February 27, 2017 meeting as presented.

IV. Executive Director's Report

Executive Director Romaneir Johnson reported that FRC in conjunction with the School District, have posted an RFP on the State of Michigan website for bids to conduct a feasibility study within the district. She stated that they are hoping to have someone in place as soon as possible, however, based on the timing, there is no guarantee that the work will commence this year, but that will be dependent on the bidders.

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 in January 2017, the district recorded a deficit of revenues over expenditures of \$1M, which was primarily as a result of timing differences between budget and actual in the expenditure and associate receipt of Federal and Act 18 grant monies. He further stated that the district recorded a surplus of revenues over expenditures of \$94M through January 2017, the surplus is due to 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. January revenues totaling \$49M were lower than budgeted revenues of \$64M, the difference is due to timing differences in Federal and Wayne RESA Act 18 expenditures and associated receipt of grant monies. January expenditures of \$50M were lower than budget by \$7M, due to unfilled vacancies and the contingency built into the budget. The ending cash balance of the district at the close of January exceeded \$52M and the district’s cash position increased by \$8M from the previous month. He addressed questions from the Commission.

b. FY 18 Budget Projection Update

Deputy Superintendent/CFO Marios Demetriou outlined key assumptions built into the preliminary FY 18 budget and explained that each month the district will be working on refining its assumptions for the final budget. He further stated that the latest iteration of the FY18 budget showed a surplus of \$13.4M with an ending fund balance. The final budget will be presented to the Commission in June.

c. DPS Bond Refinancing

Deputy Superintendent gave a brief update on bond refinancing for DPS’s capital debt. He stated that DPS currently has \$1.65 billion in capital debt, of which \$300M has been identified as being capable to refinance. Approval was given to move forward with the RFP to research what the market can provide. The Commission requested that the information received be brought to the Commission for approval before proceeding with any action to refinance.

d. Consideration of the Community District’s March 2017 contract approval requests per MCL 141.1636(6) (FRC School District Resolution 2017-5)

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.

Deputy Superintendent gave a brief overview of the Community District’s 2 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 March 2017 contract approval requests (FRC School District Resolution 2017-5). Motion moved and supported. The Commission approved School District Resolution 2017-5 as presented.

Consideration of the Community District's March 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 4 March 2017 requests for the Community District.

Motion made to approve the Community District's March 2017 out-of- state travel reimbursement requests (FRC School District Resolution 2017-6) as presented. Motion moved and supported. The Commission approved School District Resolution 2017-6 as presented.

VI. Public Comment

John Lauve
Helen Moore
Michelle George
Christa Williams
Ed Bevel
Ms. Bethel

DPSCD Students:
Ramon, Mikel, Edward, Gary, Jason Jr., Adrian

VII. Next Meeting Date

School District Regular Meeting: April 17, 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 3:30 p.m.

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

| FRC 3/27/2017 Meeting | FRC SD Resolution 2017-4 (Consideration of SD March 2017 contracts approval requests) Roll Call | FRC SD Resolution 2017-5 (Consideration of SD March 2017 out-of-state travel reimbursement) Roll Call |
|------------------------------|---|---|
| Mr. Burks | Yes | Yes |
| Ms. Fox | Yes | Yes |
| Mr. Khouri | Yes | Yes |
| Mr. Martin | Yes | Yes |
| Ms. Meriweather | Yes | Yes |
| Mr. Pscholka | Yes | Yes |
| Mr. Saunders | Yes | Yes |
| Ms. Taylor | Yes | Yes |

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

Date: 3-27-2017