

**DETROIT FINANCIAL REVIEW COMMISSION**  
**SCHOOL DISTRICT REGULAR MEETING**

Monday, April 16, 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: Monday, May 21, 2018**

**I. Call to Order**

Chairman Nick Khouri called the meeting to order at 1:47 p.m.

**II. Roll Call**

Members Present – 9

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

Members Absent – 2

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

Let the record show that 9 Commission members eligible to vote were present. 5 participated in person, and 4 participated via teleconference. A quorum was present.

**III. Approval of Proposed Minutes from the Marc 26, 2018 School District Meeting**

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

**IV. Old Business**

**a. Consideration of the Community District's 2018 budget amendment #2 requests per MCL 141.1637 (c) (FRC School District Resolution 2018-7)**

Jeremy Vidito presented the School District's Budget Amendment Request No. 2 for consideration. The amendment includes various revenue and corresponding expenditure changes in assumptions. He addressed questions from the Commission

Motion made to approve the Community District's April 2018 budget amendment (FRC Resolution 2018-7) as presented. Motion moved and supported. The commission approved School District Resolution 2018-7 as presented.

**b. Consideration of the Detroit Public Schools Community District's FY 2019 Budget submission per MCL 141.1637 (c) (FRC School District Resolution 2018-8)**

Jeremy Vidito, the Community District's Deputy Superintendent of Finance and Operations (the Community District's CFO), presented the details of the proposed FY2019 District's budget and discussed the budget development process. He addressed questions from the Commission.

Motion made to approve the Community District's FY 2019 Budget (School District Resolution 2018-8) as presented. Motion moved and supported. The Commission approved School District Resolution 2018-8 as presented.

**c. DPSCD Five-Year Projection**

Jeremy Vidito presented DPSCD's preliminary 5 year projection. He stated that based on preliminary assumptions, DPSCD is projecting a balanced budget through FY2023 with a modest surplus in the early years.

**V. New Business**

**a. DPS Financial Report**

Chief Financial Officer Jeremy Vidito presented the Financial Report for DPS and stated that the District projected revenue over expenditure budgeted surplus of \$5.7 million for the month of February, 2018; DPS's actual February 2018 surplus was \$6.2M, a variance of \$0.5M. For February Year-to-date outcome, DPS recorded a surplus of revenues over expenditures of \$25.0M, which is \$3.8M over the projected February YTD budget. He further stated that DPS's cash balance for the month of February is \$42.5M and the projected year end cash balance is \$3.0M. He addressed questions from the Commission.

**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 \$1.8M in the month of February, 2018 compared to a budget deficit of \$10.8M, a \$12.6 million variance. He stated that based on actual results through February 2018, DPSCD is \$69.1M 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 cash balance for February 2018 was \$102.3M, and the projected year end cash balance is estimated by the District to be \$120.6M (both cash balances exclude \$48.5M allocated to Internal Service and Fiduciary Account). He addressed questions from the Commission.

**c. Supplemental Reports**

Chief Financial Officer Jeremy Vidito presented a supplemental report, which outlined DPSCD's compliance reporting to include completed and up-coming submissions.

**d. Consideration of the Community District's April 2018 contract approval requests per MCL 141.1636 (6) (FRC School District Resolution 2018-9)**

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 4 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 4 April 2018 contract approval requests (FRC School District Resolution 2018-9). Motion moved and supported. The Commission approve School District Resolution 2018-9 as presented.

**e. Consideration of the Community District's April 2018 out-of-state travel reimbursement requests per MCL 141.1637(q) (FRC School District Resolution 2018-10)**

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 April 2018 out-of-state travel.

For today's meeting the Community District provided documentation on requests to reimburse employees for out-of-state travel. The commission discussed the requests noting that the District was seeking approval for 5 travel requests and divided them into 2 categories for consideration. (Category A) 4 travel requests approved by the School Board and Finance and Academic subcommittees

(Category B) travel related to future competitive student events. Chief Financial Officer Jeremy Vidito explained that during the spring months academic and sporting competitions occur for which students may advance to the national level. Because there may not be sufficient time to seek FRC approval in advance of the travel related to these competitive student events, the District is requesting the FRC approve an allocation of an amount not-to-exceed \$100,000 to be used for such out of state travel. Mr. Vidito explained that all travel occurring under this allocation will be reported to the School Board and the FRC at the next regularly scheduled meeting. This travel request allocation was approved by the School Board and Finance and Academic Committee.

Motion made to approve the Community District's out of state travel reimbursement requests as presented and categorized. Motion moved and supported. The commission approved Resolution 2018 10 (category A) items 1-4 as presented.

Motion made to approve the Community District's out of state travel reimbursement requests as presented. Motion moved and supported. The Commission approved school District Resolution 2018-10 (category B) with the understanding that the District will provide documentation with details of the internal approval process used to track and approve the out-of-state travel for which the additional \$100,000 allocation was approved.

**VI. Public Comment - None**

**VII. Next Meeting Date**

School District Regular Meeting: May 21, 2018, following the City Meeting, beginning no earlier than 1:05 p.m. at Cadillac Place, 3062 West Grand Boulevard, Suite L-150, Detroit, MI 48202.

**VIII. Closed Session**

No closed session was held.

## **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 2:45 p.m.

Financial Review Commission  
 Monthly Meeting  
 School District  
Resolution Roll Call Vote  
 Monday, April 16, 2018

FRC 4/16/2018 Meeting	FRC SD Resolution 2018-7 Consideration of April Budget Amendment #2 Roll Call	FRC SD Resolution 2018-8 Consideration of SD FY19 Budget Roll Call	FRC SD Resolution 2018-9 (Consideration of April contracts approval requests) Roll Call	Amended FRC SD Resolution 2018-10 (consideration of SD April out-of-state reimbursement approval requests) Roll Call
Mr. Burks	Yes	Yes	Yes	Yes
Ms. Fox	Yes	Yes	Yes	Absent
Mr. Khouri	Yes	Yes	Yes	Yes
Mr. Martin	Yes	Yes	Yes	Absent
Mr. McKinnon	Yes	Yes	Yes	Yes
Mr. Nicholson	Yes	Yes	Yes	Yes
Ms. Taylor	Yes	Yes	Yes	Absent
Mr. Vitti	Yes	Yes	Yes	Yes
Mr. Walsh	Yes	Yes	Yes	Absent

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

Date: 4/16/2018