

# DETROIT FINANCIAL REVIEW COMMISSION

## CITY REGULAR MEETING

Monday, June 26, 2017 at 1:00 p.m.  
Cadillac Place, Suite L-150  
3062 West Grand Boulevard  
Detroit, MI 48202

### MINUTES

Approved – July 31, 2017

#### **I. Call to Order**

Chairman Nick A. Khouri called the meeting to order at 1:05 p.m.

#### **II. Roll Call**

##### Members Present – 8

Mike Duggan  
Stacy Fox  
Brenda Jones  
Bill Martin  
Nick A. Khouri  
David Nicholson  
Al Pscholka  
Nicolai Vitti (non-voting)

##### Members Absent – 3

Darrell Burks  
Tony Saunders  
Dr. Iris Taylor (non-voting)

Let the record show that 8 Commission members eligible to vote were present. A quorum was present.

#### **Approval of Proposed Minutes from the May 22, 2017 City Meeting**

Motion made to approve the draft minutes of the Commission's May 22, 2017 City Meeting as presented. Motion moved and supported, the Commission approved the minutes of the May 22, 2017 meeting as presented.

#### **III. Executive Director's Report – None**

#### **IV. Old Business - None**

## V. New Business

### a. Presentation of the City's Monthly Financial Report

Chief Financial Officer John Hill presented his monthly financial report and addressed questions for the Commission. Highlights from his summary include:

- The City released its FY 2016 Comprehensive Annual Financial Report, which shows the City ended its second consecutive year with a balanced budget and a General Fund surplus of 62.9M.
- The City also released its FY 2016 Single Audit report covering federal grant spending, which shows zero questioned costs for the first time in a decade.
- Current projections indicate FY 2017 is estimated to end with a budget surplus of approximately \$53M.
- Revenue projections remain in line with the February Consensus Revenue Estimating Conference results.
- Payroll and employee benefit expenditures are trending below budget as a result of position vacancies.
- April YTD General City property tax collection rate exceeds the prior year
- Accounts payable as of April 2017 decreased by \$8M from \$31.1M to \$23.1M compared to March.

### b. Presentation of the City's FY 2016 Comprehensive Annual Financial Report (CAFR) and Results of the Single Audit (Grants Management)

Chief Deputy CFO/Finance Director, John Naglick reported that the City's FY 2016 CAFR was issued May 26, 2017 and filed on May 30, 2017. He noted that City ended its second year with a General Fund surplus since undergoing FRC oversight. He further stated that the city received an unmodified opinion on its financial statements and had no questioned costs as part of its single audit.

Deputy CFO-Office of Grants Management Director, Nichelle Hughley gave a detailed presentation of the City's Grants Management. The presentation included: the historical background; accomplishments; maximizing revenue; Citywide compliance; and promoting efficiency. She stated that the vision is for Detroit to become a model for innovative and effective grant programming, consistent processes, best practice financial management, and citywide compliance. She also noted that Detroit will also be a recipient of choice for grantors and will be able to maximize the City's grant funding to provide valuable services. She addressed questions from the Commission.

**c. Consideration of the City's Amended Collective Bargaining Agreement with the Detroit Fire Fighters Association – Emergency Medical Services per MCL 141.1636(9) (FRC Resolution 2017-13)**

Mayor Duggan presented the City's amended collective bargaining agreement with its firefighters. He stated that the proposed contract provided for an immediate 4% wage increase for DFFA-EMS personnel; it also included an attendance incentive program that will take effect January, 2018; the contract will be extended for an additional year with a 3% wage increase in FY 2020, and the Fire Department would support the incremental costs through FY2020 by utilizing savings from its decision to eliminate its roving ambulance units, which operated as an overtime expense. He further stated that the proposed changes would not require identification of other resources, and there is no net negative impact on the City's FY2017 budget and 4-Year financial Plan for FY 2017-2020. The fiscal impact assumes the City will not implement the contract changes until FY 2018.

Motion made to approve the City's amended collective bargaining agreement request (City Resolution 2017-13) as presented. Motion moved and supported. The Commission approved City Resolution 2017-13 as presented.

**d. Consideration of the City's June 2017 budget amendment per CL141.1637(c) (FRC City Resolution 2017-14)**

Deputy CFO/Budget Director, Tanya Stoudemire gave a brief overview of the City's June budget amendment approval requests. She stated that there are 10 budget amendments, which are all budget-neutral - 5 grant, and 2 non grant for FY 2017 and 3 non grant for FY 2017-2018. She addressed questions from the Commission.

Motion made to approve the City's June 2017 budget amendment requests (FRC City Resolution 2017-14). Motion moved and supported. The Commission approved City Resolution 201714- as presented.

**e. Consideration of the City's June 2017 contract approval requests per MCL 141.1636(6) (FRC City Resolution 2017-15)**

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 33 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 June 2017 contract approval requests (City Resolution 2017-15) as presented. Motion moved and supported. The Commission approved City Resolution 2017- 15 as presented.

**VI. Public Comment**

John Lauve  
Michelle George  
Helen Moore

**VII. Next Meeting Date**

City Regular Meeting: Monday, July 31, 2017 at 1:00 p.m. at Cadillac Place, 3062 West Grand Boulevard, Suite L-150, Detroit, MI 48202.

**I. Closed Session**

Chairman Khouri notified the public that the Commission will now go into closed session, at the City's request, to discuss the City's strategy in certain potential negotiations with the unions representing police officers, together with the financial impact that would follow such a negotiation. He noted that it is the last order of business except for the motion to adjourn, which will be done when the Commission returns to open session.

Motion made to go into closed session. Motion moved and supported, the Commission approved the motion to go into closed session.

Motion made to come out of closed session. Motion moved and supported, the Commission approved the motion to come out of closed session. The Commission did not make any decisions in the closed session.

**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 2:35 p.m.

**FRC Committee Monthly Meeting**  
**City of Detroit**  
**Resolution Roll Call**  
**Monday, June 26, 2017**

FRC 06/26/2017 Meeting (City of Detroit)	City Resolution 2017-13 Consideration of City's Amended bargaining Agreement with Detroit Fire Fighters Association) Roll Call	City Resolution 2017-14 (June 2017 budget amendments) Roll Call	City Resolution 2017-15 (June 2017 contract approval requests) Roll Call
Mr. Burks	Absent	Absent	Absent
Mr. Duggan	Yes	Yes	Yes
Ms. Fox	Yes	Yes	Yes
Ms. Jones	Yes	Yes	Yes
Mr. Khouri	Yes	Yes	Yes
Mr. Martin	Yes	Yes	Yes
Mr. Nicholson	Yes	Yes	Yes
Mr. Pscholka	Yes	Yes	Yes
Mr. Saunders	Absent	Absent	Absent

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

Date: 6/26/2017