

DETROIT FINANCIAL REVIEW COMMISSION

CITY REGULAR MEETING

Friday, September 16, 2016 at 1:00 p.m.
Cadillac Place, Suite L-150
3062 West Grand Boulevard
Detroit, MI 48202

MINUTES

Approved – October 31, 2016

I. Call to Order

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

II. Roll Call

Members Present – 10

Darrell Burks
Mike Duggan
Stacy Fox
Lorron James
Brenda Jones (via teleconference)
Nick A. Khouri
Bill Martin
Alycia Meriweather (non-voting)
John Roberts
Tony Saunders

Let the record show that 9 Commission members eligible to vote were present; 8 participated in person and 1 participated via teleconference. A quorum was present. One non-voting member was also present.

III. Approval of Proposed Minutes from the August 29, 2016 City Meeting

Motion made to approve the draft minutes of the Commission's August 29, 2016 City Meeting as presented. Motion moved and supported, the Commission approved the minutes of the August 29, 2016 meeting as presented.

IV. Executive Director's Report

Executive Director Ron Rose reported that Jed Howbert has been invited to give a general overview of the City's economic development strategy at the October, 2016 FRC meeting. He further stated that the presentation was important at this time, because as discussions on pension

begins, everyone would have a clearer understanding of the level of development and potential impact it would have on the City.

V. Old Business - None

VI. New Business

a. Consideration of Annual Certification of the City's Compliance with the Michigan Financial Review Commission Act per MCL 141.1636(2) (FRC City Resolution 2016-13)

Chief Financial Officer John Hill gave a brief overview of the resolution, which is an annual FRC certification required by statute. He noted that in accordance with PA 181 of 2014, the FRC requests the Chief Financial Officer of the City to verify compliance with certain statutory requirements and that the City is in compliance with the major provisions as outlined in section 4 of the City's certification statement. He also reported that they are working to ensure that all contracts are posted on the City's website.

b. Presentation of the City's Financial Review

Chief Financial Officer John Hill reported that the City experienced a slowdown in paying on invoices, but they tasked a team with working down the backlog and significant success has been made. He stated that as long as the vendors submit the ACH electronic payment information, they will be able to use an online portal to submit electronic invoices that will automatically match against an open purchase order and receipt of goods and services. The City continues to work on best aligning the new system configuration and its business processes to improve accounts payable. He addressed questions from the Commission.

Re-consideration of the City's August 2016 budget amendment (DWSD) requests per MCL141.1637(c) (FRC City Resolution 2016-14)

Deputy CFO/Budget Director Tanya Stoudemire presented the City's August 2016 budget amendment (DWSD) for re-consideration and approval.

The Commission asked for an update on the Detroit Water and Sewerage Department (DWSD) contract and budget approval questions that emerged at the August 2016 FRC meeting. The primary questions are when and if DWSD budgets and contracts require City Council's approval.

Executive Director Ron Rose reported that City of Detroit's Corporation Counsel provided a legal opinion, which clearly opines that the proposed amendment is only subject to approval by the DWSD Board. He stated however, that Council President Jones had requested that David Whittaker, Director of Council legislative, Policy Division, be invited to speak to City Council's position on the matter.

Mr. Whittaker gave an update, noting that City Council holds the position that DWSD contracts/budgets should go to Council before coming to the FRC for approval.

Amanda Van Dusen, (attorney for the City) Miller Canfield was also invited to speak on the matter on behalf of DWSD. She stated that the process was governed by a federal court order, which clearly specifies that DWSD's budget is not subject to City Council's approval.

A discussion ensued, and the Commission requested that the resolution be amended to include that the FRC received input from Miller Canfield on the issue.

Motion made to reconsider and approve the City's August 2016 budget amendment (DWSD) requests (FRC City Resolution 2016-14) The Commission voted 8 in favor and 1 opposed. The Commission approved City Resolution 2016-14 as presented.

c. Consideration of the City's September 2016 contract approval requests per MCL 141.1636(6) (FRC City Resolution 2016-15)

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. This month's contracts have been reviewed with the FRC Advisory Subcommittee on Contracts and Procurement.

Chief Procurement Officer Boysie Jackson and Assessor Director Alvin Horn, gave an overview of the City's 3 contract approval requests and addressed questions from the Commission.

Motion made to approve the City's 3 September 2016 contract approval requests (City Resolution 2016-15) as presented. Motion moved and supported. The Commission unanimously approved City Resolution 2016-15 as presented.

VII. Public Comment

None

VIII. Next Meeting Date

City Regular Meeting: (Date will be posted in due course) at 1:00 p.m. at Cadillac Place, 3062 West Grand Boulevard, Suite L-150, Detroit, MI 48202.

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 1:49 p.m.