

DETROIT FINANCIAL REVIEW COMMISSION

SCHOOL DISTRICT REGULAR MEETING

Monday, September 24, 2018
Following the City Regular Meeting
(Begins no earlier than 1:05 p.m.)
Cadillac Place, Suite L-150
3062 West Grand Boulevard
Detroit, MI 48202

MINUTES

Approved: October 29, 2018

I. Call to Order

Chairman Nick Khouri called the meeting to order at 1:10 p.m.

II. Roll Call

Members Present – 9

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

Members Absent – 2

Darrell Burks
Mike Duggan (non-voting)

Let the record show that 8 Commission members eligible to vote were present. 5 participated in person, and 3 participated via teleconference. A quorum was present.

III. Approval of Proposed Minutes from the August 27, 2018 School District Meeting

Motion made to approve the draft minutes of the Commission's August 27, 2018 School District Meeting as presented. Motion moved and supported, the Commission approved the minutes of the August 27, 2018 meeting as presented.

Old Business – None

IV. New Business

a. DPS Financial Report

Chief Financial Officer Jeremy Vidito presented the Financial Report for DPS and stated that DPS is primarily a wind-down entity whose purpose is the satisfaction of legacy debt obligations.

He further stated that there were no tax collection receipts in July, but they are expecting collections in August. The \$23.9 million draw from Bank of New York shifted from July to August. As of July 31, 2018, DPS's cash balance is \$6.0 million, and as August 2018,

DPS's cash balance is \$21.4 million and the projected year-end balance for 2019 is \$3.0 million. 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 stated that based on actual results through July 2018, DPSCD have a surplus of \$33.1 million of revenues over expenditures, but the budget showed a \$23.8 million surplus, which is a \$9.3 million positive variance. The District is behind plan by \$2.2 million on the July YTD in the receipt of budgeted revenues but was offset by expenditure savings in salary and purchased services due to lower than expected participation in summer school.

Mr. Vidito also reported that DPSCD's cash balance for July 31, 2018 was \$159.3 million and the projected year end cash balance for FY 2019 is \$231.0 million. He further stated that the Internal Service Fund balance was \$43.1 million. He addressed questions from the Commission.

c. Presentation of DPSCD Water Testing

Superintendent Dr. Vitti gave a presentation on the Water Testing for the Community District. The presentation included: possible causes to elevated levels; suggested solutions that do not ensure safety or are too costly; water hydration stations and proposed next steps to be taken. He addressed questions from the Commission.

d. Consideration of the Resolution 2018-22 certifying the Detroit Public Schools Community District's compliance with the Michigan Financial Review Commission Act per MCL 141.1636 (2).

Mr. Vidito 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 requested the School District's Chief Financial Officer (CFO) to verify compliance with certain statutory requirements as outlined in the CFO's Administrative order.

Motion made to approve Resolution 2018-22 as presented. Motion moved and supported, the Commission approved Resolution 2018-22 as presented.

e. Consideration of the Community District's September 2018 contract approval requests per MCL 141.1636 (6) (FRC School District Resolution 2018-23)

Public Act 181 of 2014 requires the Financial Review Commission to review and approve contracts meeting any of the three 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 4 Community District's September 2018 contract approval requests (FRC School District Resolution 2018-23). Motion moved and supported. The Commission approve School District Resolution 2018-23 as presented.

f. Consideration of the Community District's September 2018 out-of-state travel reimbursement requests per MCL 141.1637(q) (FRC School District Resolution 2018-24)

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 September 2018 out-of-state travel.

Motion made to approve the 2 Community District's September 2018 out-of-state travel reimbursement requests (FRC School District Resolution 2018-24) as presented. Motion moved and supported. The Commission approved School District Resolution 2018-24 as presented.

V. Public Comment

Helen Moore
Michelle George
Ms. Martinez
Michelle Martinez
Mr. Peeples

VI. Next Meeting Date

School District Regular Meeting: October 29, 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.

VII. 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 1:50 p.m.

FRC Committee Monthly Meeting
School District
Resolution Roll Call
Monday, September 24, 2018

FRC 9/24/2018 Meeting (DPSCD)	School District Resolution 2018-22 Consideration of SD Michigan Financial Review Commission's Act Roll Call	School District Resolution 2018-23 (Consideration of SD September Contracts Request) Roll Call	School District Resolution 2018 -24 Consideration of SD August out-of-state travel requests) Roll Call
Mr. Burks	Absent	Absent	Absent
Ms. Fox	Yes	Yes	Yes
Mr. Khouri	Yes	Yes	Yes
Ms. Martin	Yes	Yes	Yes
Mr. Khouri	Yes	Yes	Yes
Mr. Nicolson	Yes	Yes	Yes
Ms. Taylor	Yes	Yes	Yes
Mr. Vitti	Yes	Yes	Yes
Mr. Walsh	Yes	Yes	Yes

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

Date: 09/24/2018