

DETROIT FINANCIAL REVIEW COMMISSION

CITY REGULAR MEETING

Monday, October 30, 2017 at 1:00 p.m.
Cadillac Place, Suite L-150
3062 West Grand Boulevard
Detroit, MI 48202

MINUTES

Approved: Monday, November 20, 2017

I. Call to Order

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

II. Roll Call

Members Present – 7

Darrell Burks (via teleconference)
Mike Duggan
Stacy Fox
Nick Khouri
Dr. Ike McKinnon (via teleconference)
David Nicholson
Al Pscholka

Members Absent – 4

Brenda Jones
Bill Martin
Dr. Iris Taylor (non-voting)
Dr. Nikolai Vitti (non-voting)

Let the record show that 7 Commission members eligible to vote were present, 5 participated in person and 2 participated via teleconference. A quorum was present.

Approval of Proposed Minutes from the September 25, 2017 City Meeting

Motion made to approve the draft minutes of the Commission's September 25, 2017 City Meeting as presented. Motion moved and supported, the Commission approved the minutes of the September 25, 2017 meeting as presented.

III. Executive Director's Report – None

IV. Old Business - None

V. New Business

a. September Revenue Estimating Conference Results

The City held its September revenue estimating conference on September 21, 2017. The participants were CFO John Hill, Professor George Fulton from the University of Michigan, and Eric Bussis for the State Treasury Department.

Deputy CFO/Budget Director Tanya Stoudemire provided a brief overview of the consensus estimate for fiscal year-end 2017 and determined estimates for FY 2018 and revenue projections for FY 2019 and 2020. She stated that the major revenues discussion centered on income tax, property tax, utility users' tax, wagering tax and state revenue sharing. She concluded her presentation stating the Revenue Conference projects the City will generate \$1,031.5 million of General Fund Revenue in FY 2018.

b. Presentation of the City's Monthly Financial Report

Mr. Hill presented his monthly financial report and highlighted that the office of Chief Financial Officer (OCFO) is currently improving its major policies and business process lifecycles that connect activities across divisions. He further stated that FY 2018 is projected to end with a budget surplus from current year activity of approximately \$31.3M; revenue projections are based on the September 2017 Revenue Estimating Conference results, which are above the February 2017 revenue estimates used for the adopted budget; payroll and employee benefit expenditures are trending below budget as a result of position vacancies, and the General City active employee count increased in August but remains below budget; the August YTD General City property tax collection rate of 44.8% has improved slightly over the prior year and total Accounts Payable as of August 2017 had a net increase of \$69.2M compared to July; the AP increased as a result of property tax revenue collected. He addressed questions from the Commission.

c. Consideration of the City's October fiscal year 2017 budget amendment requests per MCL 141.1637 (c) (FRC Resolution 2017-24)

Deputy CFO/Budget Director Tanya Stoudemire gave a brief overview of the City's October budget amendment approval requests. She stated that there are 15 budget amendments 14 grant related and are budget neutral and 1 non-grant. She further stated that the most notable amendment will adjust the FY 2017 budget to cover various appropriation deficits. She addressed questions from the Commission.

Motion made to approve the City's September 2017 budget amendment requests (FRC City Resolution 2017-24). Motion moved and supported. The Commission approved City Resolution 2017-24-as presented.

d. City's Credit Rating Upgrade

John Hill Chief Financial Officer stated that the City received its second credit rating upgrade in less than three years and it's highest since March 2012. Moody's Investors Service upgraded Detroit's issuer rating to B1 from B2 and also assigned a positive outlook to reflect the possibility of future upgrades.

e. Consideration of the City's request to issue Michigan Transportation fund bond Series 2017, per MCL 141.1637 (e) (FRC City Resolution 2017-25)

John Naglick Deputy Chief Financial Officer presented the Resolution for the Commission to approve the City's request to issue Michigan Transportation fund bond series 2017. He noted that the City Council approved the proposal to invest \$125M in bond funds to revitalize neighborhood commercial corridors. The bonds will be funded by the City's increased share of State road revenue and will support road and sidewalk improvements and other corridor enhancements. He addressed questions from the Commission.

Motion made to approve resolution 2017-25 as presented. Motion moved and supported, the Commission unanimously approved Resolution 2017-25 as presented.

f. Consideration of the City's October 2017 contract approval requests per MCL 141.1636(6) (FRC City Resolution 2017-26)

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 32 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 October 2017 contract approval requests (City Resolution 2017-26) as presented. Motion moved and supported. The Commission approved City Resolution 2017- 26 as presented.

VI. Public Comment

John Lauve
William Davis
Gene Cunningham
Michelle George

VII. Next Meeting Date

City Regular Meeting: Monday, November 20, 2017 at 1:00 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 1:55 p.m.

FRC Committee Monthly Meeting
City of Detroit
Resolution Roll Call
Monday, October 30, 2017

FRC 10/30/2017 Meeting (City of Detroit)	City Resolution 2017-24 (October 2017 Budget Amendment approval requests) Roll Call	City Resolution 2017-25 (Approving the City's Request to issue Michigan Transportation Fund Bond, Series 2017) Roll Call	City Resolution 2017 -26 (October 2017 City Contract approval requests) Roll Call
Mr. Burks	Yes	Yes	Yes
Mr. Duggan	Yes	Yes	Yes
Ms. Fox	Yes	Yes	Yes
Ms. Jones	Absent	Absent	Absent
Mr. Khouri	Yes	Yes	Yes
Mr. Martin	Absent	Absent	Absent
Mr. McKinnon	Yes	Yes	Yes
Mr. Nicholson	Yes	Yes	Yes
Mr. Pscholka	Yes	Yes	Yes

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

Date: Oct 30, 2017