

DETROIT FINANCIAL REVIEW COMMISSION

CITY REGULAR MEETING

Monday, December 19, 2016 at 1:00 p.m.
Cadillac Place, Suite L-150
3062 West Grand Boulevard
Detroit, MI 48202

MINUTES

Approved - January, 30, 2017

I. Call to Order

Chairman Nick A. Khouri called the meeting to order at 1:02 p.m.

II. Roll Call

Members Present – 9

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

Members Absent – 1

Lorrion James

Let the record show that 8 Commission members eligible to vote were present. A quorum was present. One non-voting member was also present.

III. Approval of Proposed Minutes from the November 21, 2016 City Meeting

Motion made to approve the draft minutes of the Commission's November 21, 2016 City Meeting as presented. Motion moved and supported, the Commission approved the minutes of the November 21, 2016 meeting as presented.

IV. Executive Director's Report – Executive Director Ron Rose thanked Carol O'Cleireacain for her work and assistance to the FRC and wished her well on her retirement.

V. Old Business - None

VI. New Business

a. Presentation of the City's Monthly Financial Report

Mr. Hill presented his monthly financial report to the Commission and highlighted items regarding the office of the Chief Financial Officer (OCFO). He stated that City Council approved contracts with Polaris and Magnet consulting to continue the OCFO restructuring process and with EY to develop a ten-year financial model and pro forma projections; October YTD actuals indicate that FY 2017 results are expected to be in line with budget; October YTD cash flow activity indicates that liquidity remains stable; October YTD property tax collection rate continues to exceed the prior year; October accounts payable has decrease by 56% compared to the prior month; the Police Department increased by 50 heads, and the General Services Department decreased by 125 heads. He addressed questions from the Commission.

b. Update on 10 Year Plan

Mr. Hill discussed the work that the OCFO has been doing on the 10-year financial plan. He stated that they are working with EY to finalize the revenue projections, while paying special attention to reassessments of property tax values, which is anticipated in FY17 and FY18 and the effect of increased commercial values in FY18, FY19 and FY20 resulting from recent and planned development projects throughout the City. It is expected that the revenue projections will be completed in December, 2016. He stated that a preliminary ten-year forecast of expenditure is expected at the end of January, 2017 and the City will incorporate the revenue and expenditure forecasts into the updated ten-year plan, which will allow the OCFO to begin discussions with the Mayor and City Council's offices on how to address any shortfalls and where any excess funds could be used to address its pension legacy problem.

c. Update on HR Payroll IT Initiative

Updated the commission on the HR Payroll IT Initiative. She noted that the IT team is experiencing some difficulties with the complex programming requirement for step-increases, retirement codes, rounding issues and other items that have delayed the project. The anticipated implementation date is September, 2018.

d. Consideration of City's Time Extension Request for its Fiscal Year 2016 Comprehensive Annual Financial Report to March 31, 2017 (FRC Resolution 2016-22)

The Commission considered a resolution to consent to the City's FY 2016 CAFR deadline extension. Motion made to approve Resolution 2016-22 as presented. Motion moved and supported. The Commission unanimously approved Resolution 2016-22 as presented.

e. Consideration of the City's December 2016 budget amendment per CL141.1637(c) (FRC City Resolution 2016-23)

Deputy CFO/Budget Director Tanya Stoudemire presented and reviewed the City's December 2016, 30 budget amendments for FY 16 & FY 17. She noted that there were 24 grant budget amendments for 6 departments, 1 non grant budget amendment, 1 bond budget amendment and 2 amendments for DWSD.

She highlighted a few corrections to be made to the amendments for DWSD, and requested that 2 budget amendments (housing and Revitalization and Planning Department GFBG) be pulled from the document for approval today; she reported that they are pending City Council's approval, but will be brought back to the Commission for consideration at the January 2017 meeting. The Commission agreed to exclude budget amendment requests for Nos. 25 and 26. (Housing and Revitalization and Planning Department GFBG) from this month's approval.

Motion made to approve the City's December 2016 budget amendment requests (FRC City Resolution 2016-23). The Commission unanimously approved Resolution 2016-22 with amendments Nos 25 and 26 excluded.

f. Consideration of the City's December 2016 contract approval requests per MCL 141.1636(6) (FRC City Resolution 2016-24)

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 27 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 December 2017 contract approval requests (City Resolution 2016-24) as presented. Motion moved and supported. The Commission approved City Resolution 2016-24 as presented.

VII. Public Comment

John Lauve
William Davis
Felicia Duncan Brock

VIII. Next Meeting Date

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

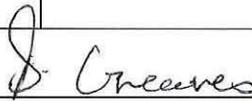
IX. Adjournment

Motion made to adjourn. Motion moved and supported, the Commission approved the motion to adjourn.

There being no further business, the meeting adjourned at 1:56 p.m.

FRC Committee Monthly Meeting
City of Detroit
Resolution Roll Call
Monday, December 19, 2016

FRC 12/19/2016 Meeting (City of Detroit)	City Resolution 2016-22 (Consideration of the City's Time Extension Request for Fiscal Year 2016 CAFR Report to March 2017) Roll Call	City Resolution 2016-23 (December 2016 Amended budget amendment Requests) Roll Call	City Resolution 2016-24 (December 2016 contract approval requests) Roll Call
Mr. Burks	Yes	Yes	Yes
Mr. Duggan	Yes	Yes	Yes
Ms. Fox	Yes	Yes	Yes
Mr. James	Absent	Absent	Absent
Ms. Jones	Yes	Yes	Yes
Mr. Khouri	Yes	Yes	Yes
Mr. Martin	Yes	Yes	Yes
Mr. Roberts	Yes	Yes	Yes
Mr. Saunders	Yes	Yes	Yes

Signed by: 
 Beverly C. Greaves- Secretary

Date: December 19, 2016