

# **DETROIT FINANCIAL REVIEW COMMISSION**

## **CITY REGULAR MEETING**

Monday, September 25, 2017 at 1:00 p.m.  
Cadillac Place, Suite L-150  
3062 West Grand Boulevard  
Detroit, MI 48202

### **MINUTES**

**Approved: October 30, 2017**

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

Deputy Chairman William Martin called the meeting to order at 1:08 p.m.

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

##### Members Present – 7

Darrell Burks (via teleconference)  
Mike Duggan  
Stacy Fox  
Brenda Jones  
Bill Martin  
David Nicholson  
Al Pscholka

##### Members Absent – 2

Nick A. Khouri  
Dr. Iris Taylor (non-voting)  
Dr. Nicholai Vitti (non-voting)

Let the record show that 7 Commission members eligible to vote were present, 6 participated in person and 1 participated via teleconference. A quorum was present.

#### **Approval of Proposed Minutes from the August 28, 2017 City Meeting**

Motion made to approve the draft minutes of the Commission's August 28, 2017 City Meeting as presented. Motion moved and supported, the Commission approved the minutes of the August 28, 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

Mr. Hill presented his monthly financial report and highlighted that the office of Budget updated revenue estimates for FY 2018 through FY 2022 were reviewed and approved at the City's Consensus Revenue Estimating Conference held on September 21, 2017. He also noted that the City upgraded to Release 12 of its Oracle Cloud ERP system on August 22, 2017, which included various technical improvements, and the City has begun planning for the upcoming Release 13, which includes more substantial functional improvements. He further stated that projections indicate that FY 2018 is currently projected to end with a budget surplus from current year activity of approximately \$29.5M; the general city property tax roll for FY 2018 is down 4.1% compared to FY 2017, primarily due to the citywide reappraisal of residential property; total Accounts payable as of July 2017 had a net decrease of \$14.7M compared to July. Net AP not on hold had net decrease of \$1.2M. The Federal State grant funds had a net decrease of \$1.1M due to the closure of 2 grants and the addition of 2 grants. He addressed questions from the Commission.

### b. Consideration of the City's September fiscal year 2017 budget amendment requests per MCL 141.1637 (c) (FRC Resolution 2017-20)

Deputy CFO/Budget Director Tanya Stoudemire gave a brief overview of the City's September budget amendment approval requests. She stated that there are 7 budget amendments. (5 grant and 2 non-grant) She noted that the purpose of the 2 non-grant amendments are: 1. - to realign the Police department's civilian staff to meet the mission and goals of the department, and 2. - the recreation amendment is to accept and appropriate a donation that will be used to enhance the landscape at Balduck Park with the installation of boulders. She addressed questions from the Commission.

Motion made to approve the City's September 2017 budget amendment requests (FRC City Resolution 2017-20). Motion moved and supported. The Commission approved City Resolution 2017-20-as presented.

### c. Consideration of Annual Certification of the City's Compliance with the Michigan Financial Review Commission Act Per MCL 141.1636 (2) (FRC City Resolution 2017-21)

Mr. Kubacki 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 Chief Financial Officer of the City to verify compliance with certain statutory requirements as outlined in the CFO's Administrative Order. Chief Financial Officer, John Hill stated that the City is in compliance with the major provisions as outlined in the City's certification statement.

Motion made to approve resolution 2017-22 as presented. Motion moved and supported, the Commission unanimously approved Resolution 2017-22 as presented.

### d. Consideration of the City's Amended Collective Bargaining Agreements per MCL 141.1636(9) (FRC Resolution 2017-22)

HR Director, Denise Starr and PR Director, and Akeem Berry presented two amended collective bargaining agreements: the Public Attorneys Association (PAA) and the Detroit Department of Transportation (DDOT) vehicle operators.

UAW Local 2211- Public Attorneys Association (PAA)

Ms. Starr presented the proposed financial changes in the amended agreement for PAA personnel, noting that it provided for an immediate 5% wage increase for the PAA personnel hired before July 21, 2013 and an immediate 2.5% wage increase for those hired after July 21, 2013. All PAA personnel would receive increases of 2.5% in FY 2019; 2% in FY2020 and 2% in FY2021. The agreement also included a one-time 2.5% lump sum payment following approval and a conditional 1% annual wage increase based on a performance evaluation incentive. She further stated that the wage increases and performance evaluation incentive would cost approximately \$464,000 in total over FY 2018-2021. There is no net negative impact on the City's FY2018 budget and 4-Year Financial Plan.

Teamsters, Local 214-Detroit Department of Transportation (DDOT)

The proposed contract for DDOT would provide for an immediate 2.5% wage increase and a 2.5% increase in FY2019. There are no retroactive increases for the prior years covered by the contract FY 2015-2017. She stated that the proposed increases were already budgeted, so there is no incremental cost, and there is no net negative impact on the City's FY 2018 budget and 4-year Financial Plan.

Motion made to approve the City's amended collective bargaining agreement requests (City Resolution 2017-22) as presented. Motion moved and supported. The Commission approved City Resolution 2017-22 as presented.

**e. Presentation by the City's Chief Development Officer**

Ryan Friedrichs Chief Development Officer made his presentation and addressed questions from the Commission. The report included grant and donation funding lifecycle; identification and ranking of funding priorities; metrics for measurement; and open grant opportunities and deadlines.

**f. Consideration of the City's September 2017 contract approval requests per MCL 141.1636(6) (FRC City Resolution 2017-23)**

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 12 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 September 2017 contract approval requests (City Resolution 2017-23) as presented. Motion moved and supported. The Commission approved City Resolution 2017- 23 as presented.

**VI. Public Comment**

John Lauve  
William Davis  
Helen Moore  
Wallace Malone

**VII. Next Meeting Date**

City Regular Meeting: Monday, October 30, 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 1:50 p.m.

FRC Committee Monthly Meeting  
 City of Detroit  
 Resolution Roll Call  
 Monday, September 25, 2017

| FRC 09/25/2017 Meeting<br>(City of Detroit) | City Resolution 2017-20<br>(September 2017 Budget Amendment approval requests)<br><br>Roll Call | City Resolution 2017-21<br>(September 2017 Certifying the City of Detroit's Compliance with the Michigan Financial Review Commission Act)<br><br>Roll Call | City Resolution 2017-22<br>(Consideration of the City's amended CBA Agreement)<br><br>Roll Call | City Resolution 2017 -23<br>(September 2017 City Contract approval requests)<br><br>Roll Call |
|---|---|--|---|---|
| Mr. Burks                                   | Yes   | Yes  | Yes   | Yes   |
| Mr. Duggan                                  | Yes   | Yes  | Yes   | Yes   |
| Ms. Fox                                     | Yes   | Yes  | Yes   | Yes   |
| Ms. Jones                                   | Yes   | Yes  | Yes   | Yes   |
| Mr. Khouri                                  | Absent  | Absent   | Absent  | Absent  |
| Mr. Martin                                  | Yes   | Yes  | Yes   | Yes   |
| Mr. McKinnon                                | Absent  | Absent   | Absent  | Absent  |
| Mr. Nicholson                               | Yes   | Yes  | Yes   | Yes   |
| Mr. Pscholka                                | Yes   | Yes  | Yes   | Yes   |

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

Date: 9/25/2017