

DETROIT FINANCIAL REVIEW COMMISSION
SCHOOL DISTRICT REGULAR MEETING

Monday, October 31, 2016
Following the City Regular Meeting
(Begins no earlier than 2:00 p.m.)
Cadillac Place, Suite L-700
3062 West Grand Boulevard
Detroit, MI 48202

MINUTES

Approved- November 21, 2016

I. Call to Order

Chairman Nick A. Khouri called the meeting to order at 2:05 p.m.

II. Roll Call

Members Present – 8

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

Members Absent – 1

Mike Duggan (non-voting)

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

III. Approval of Proposed Minutes from the September 16, 2016 School District Meeting

Motion made to approve the draft minutes of the Commission's September 16, 2016 School District Meeting as presented. Motion moved and supported, the Commission approved the minutes of the September 16, 2016 meeting as presented.

IV. Executive Director's Report

Executive Director Ron Rose reported that a new item has arisen regarding the ability of Community District employees to opt-out of the medical benefit plan, which will start January 1, 2017. The Community District is proposing that employees be compensated for opting out, provided that the total amount spent on opt-outs by the Community District does not exceed

\$850,000 for the current fiscal year, which is equal to the reduced cost of the dental insurance policy. He stated that there is a resolution on this matter for consideration on today's FRC meeting agenda. He introduced the new Executive Director, Ms. Romanier Johnson.

V. Old Business – None

VI. New Business

a. Consideration of amended 2016 Regular Meeting Schedule (FRC School District Resolution 2016-17)

Motion made to approve the request to amend the dates of the Regular Meetings (Community District's Resolution 2016-17) as presented. Motion moved and supported. The Commission unanimously approved School District Resolution 2016-17 as presented.

b. Report on Benchmarking

Deputy Superintendent/CFO Marios Demetriou gave a presentation on DPSCD's spending to that of its peer group, which he considers to be districts with a similar socio-economic status (b) with at least 3,000 students (c) at least seventeen square miles in size, and (4) that have recently experienced significant declines in student enrollment. The Presentation provides a comparison of spending per student to that of its peer group as defined by DPSCD, and demonstrates that DPSCD's spending is comparable, once grant funds are excluded. He addressed questions from the Commission.

c. Consideration of the Community District's Monthly Financial Report

Deputy Superintendent/CFO Marios Demetriou presented his monthly financial report and addressed questions from the Commission. The report included a comparison of monthly budgeted amounts to actual amounts, and indicated a surplus of revenues over expenditures. It also included YTD revenues, expenses and cash flow projections based on the amended budget revenues and expenditures.

d. Consideration of the Community District's October 2016 contract approval requests per MCL 141.1636(6) (FRC School District Resolution 2016-18)

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.

Mr. Demetriou gave an overview of the Community District's 11 contract approval requests and addressed questions from the Commission. All contracts have been reviewed with the FRC Advisory Subcommittee on Contracts and Procurement.

Motion made to approve the Community District's October 2016 contract approval requests (FRC School District Resolution 2016-18) as presented. Motion moved and supported. Eight members voted unanimously to approve 11 contracts, while 1 member voted to approve 10 contracts and abstain from the Healthcare contract due to a conflict of interest.

e. **Consideration of the Community District's October 2016 out-of-state travel reimbursement requests per MCL 141.1637(q) (FRC School District Resolution 2016-19)**

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. Demetriou presented request for the Community District's October 2016 out-of-state travel.

Motion made to approve the Community District's October 2016 out-of- state travel reimbursement requests (FRC School District Resolution 2016-19) as presented. Motion moved and supported. The Commission unanimously approved School District Resolution 2016-19 as presented.

f. **Consideration of the Community District's new and amended collective bargaining agreements per MCL 141.1636(9) (FRC Resolution 2016-20)**

Executive Director Ron Rose stated that Clark Hill PLC has provided permission for the Commission to rely on the opinion letter of Clark Hill PLC referred to in School District Resolution 2016-14 with regard to the amendments to the collective bargaining agreements referred to in this resolution.

Mr. Demetriou presented the Community District's new and amended collective bargaining agreements, noting that following the agreement with the Detroit Federation of Teachers, the other unions with the exception of one, agreed to the step increases and the 3% bonus (one time) which will be paid to all members who are already at the top of the pay scale. He addressed questions and comments from the Commission.

Motion made to approve the Community District's new and amended collective bargaining agreements (FRC SD Resolution 2016-20) as presented. Motion moved and supported. The Commission unanimously approved School District Resolution 2016-20 as presented.

g. **Consideration of the Community District's proposal to allow opt-out payments on medical insurance (FRC SD Resolution 2016-21)**

Executive Director Ron Rose presented the Community District's proposal that allows member of its unions to opt-out of health insurance coverage and be compensated for opting out, providing that the total amount spent on opt-outs by the Community District will not exceed \$850,000.

Motion made to approve the Community District's proposal (FRC SD Resolution 2016-21) as presented. Motion moved and supported. The Commission unanimously approved School District Resolution 2016-21 as presented.

VII. Public Comment

John Lauve, Elena Herrada, Kathy Montgomery, Michelle George

VIII. Next Meeting Date

School District Regular Meeting: November 21, 2016, following the City Meeting, beginning no earlier than 2:00 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 3:10 p.m.

Financial Review Commission
Monthly Meeting
School District
Resolution Roll Call Vote
Monday, October 31, 2016

FRC 10/31/2016 Meeting	FRC SD Resolution 2016-17 (Amended 2016 Regular Meeting Schedule) Roll Call	FRC SD Resolution 2016-18 (Consideration of 11 contracts approval requests) Roll Call	FRC SD Resolution 2016-19 (Consideration of October 2016 out-of-state travel reimbursement) Roll Call	FRC SD Resolution 2016-20 (consideration of Community District's new and amended collective bargaining agreements) Roll Call	FRC SD Resolution 2016-21 (consideration of the Community District's proposal) Roll Call
Mr. Burks	Yes	Yes (approved 10 contracts only. Abstain from giving approval to the Healthcare contract due to a conflict of interest)	Yes	Yes	Yes
Ms. Fox	Yes	Yes	Yes	Yes	Yes
Mr. James	Yes	Yes	Yes	Yes	Yes
Mr. Khouri	Yes	Yes	Yes	Yes	Yes
Mr. Martin	Yes	Yes	Yes	Yes	Yes
Ms. Meriweather	Yes	Yes	Yes	Yes	Yes
Mr. Roberts	Yes	Yes	Yes	Yes	Yes
Mr. Saunders	Yes	Yes	Yes	Yes	Yes

Signed by: Beverly C. Greaves
 Beverly C. Greaves, Secretary

Date: 10/31/2016